Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 1, 2008

Dear Commissioners:

Enclosed please find relevant information to the **Thursday, May 8, 2008** Commission meeting. Minutes of the March 2008 meeting are enclosed. Please review the minutes prior to the May 8 meeting.

The meeting will be held in the Vern Riffe Center, 31st floor, South B&C, beginning at 10:00 a.m. If you haven't already done so, please contact Wende Jourdan to confirm your attendance. You may reach her at 614/728-9497 (telephone) or by e-mail at wende.jourdan@dot.state.oh.us.

We look forward to seeing you.

Sincerely,

Jolene

Jolene M. Molitoris
Chairwoman

enclosures

THE OHIO RAIL DEVELOPMENT COMMISSION

MEETING AGENDA
Thursday, May 8, 2008
Vern Riffe Center for Government & the Arts
77 South High Street, 31st floor, Columbus, Ohio

CALL TO ORDER: Jolene M. Molitoris, Chairwoman

- Welcome
- Roll Call
- Approval of Minutes from March Meeting

EXECUTIVE DIRECTOR REPORT: Matt Dietrich

FINANCE REPORT: Megan McClory

CSX TRANSPORTATION: Presentation by Lisa Mancini, Vice President - Strategic Infrastructure Initiatives

PROJECTS FOR APPROVAL

- Resolution 08-07: Buckeye Industrial Mining Transload
- Resolution 08-08: US Rail/City of Jackson Rehabilitation
- Resolution 08-09: Carrollton Rehabilitation Project Amendment

APPROVED PROJECT BRIEFINGS

- Appleton Papers Spur, West Carrollton
- Hydrodec Trackmobile, Canton
- Lancaster Port Authority/US Corrugated
- Panhandle Appraisal Update, Continental Appraisal Company

PANHANDLE LONG TERM LEASE COMMITTEE REPORT
Commissioner Tom McOwen, Committee Chairman

3-C PASSENGER START-UP SERVICE UPDATE: Matt Dietrich

RAIL CORRIDORS & POTENTIAL ECONOMIC DEVELOPMENT:
Presentation by Tom McOwen

NEW BUSINESS

PUBLIC COMMENT

ADJOURN

Ohio Rail Development Commission

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MEETING NOTICE

The next meeting of the
Finance Committee
of the Ohio Rail Development Commission
will be held

Thursday, May 8, 2008

at the
Vern Riffe Center for Government & the Arts
77 S. High Street. 31st Floor
Room West A
Columbus, Ohio
Immediately following the Full Commission Meeting
at 10:00 a.m.

Should you have any questions please feel free to contact Megan McClory directly at (614) 644-0289.

MINUTES OF THE OHIO RAIL DEVELOPMENT COMMISSION
REGULAR BI-MONTHLY MEETING
MARCH 13, 2008

CALL TO ORDER

The meeting of the Ohio Rail Development Commission was called to order by Chairwoman Jolene M. Molitoris at 10:10 a.m. on Thursday, March 13, 2008.

MEMBERS PRESENT

Chairwoman Molitoris asked Stu Nicholson to call the roll. Members present included: Chairwoman Jolene Molitoris, Commissioners Tom McOwen, Kimberly Gibson, Barbara Bennett, Solomon Jackson, Herk Wolfe, Larry Sowers, Paul Staley for Director James Beasley, Representatives Larry Flowers and Robert Hagan; and Senator Larry Mumper. Members absent included Jim Hartung, Dan Roberts and Senator Capri Cafaro.

APPROVAL OF THE MINUTES OF THE JANUARY MEETING

Chairwoman Molitoris asked for a motion to approve the minutes of the January 16, 2008, meeting. Commissioner Bennett moved to approve the minutes and Commissioner Sowers seconded the motion. Roll call was taken. The minutes were approved as presented.

WELCOME

Chairwoman Molitoris opened the meeting by responding to Executive Director Matt Dietrich's report on the broad media coverage of Governor Strickland's letter to Amtrak President and Chief Executive Officer Alexander Kummant requesting a study of what is needed to restore passenger rail service in the 3-C Corridor. Chairwoman Molitoris called the media response "heart-warming" and stated she felt the Governor has really stepped up on the issue and that this will help greatly in discussions with Amtrak. She said it also demonstrates the level of commitment and understanding Governor Strickland has about the role of trains in the state's transportation plans.

Chairwoman Molitoris spoke about the recent news of her appointment as Assistant Director of ODOT. She called it "no small task" and said the support and involvement of everyone will be welcomed and needed. She told Commissioners her new post will involve three primary areas of responsibility:

- ODOT's federal agenda: transportation funding authorization. She commented that "Ohio needs to be a player."
- Implementation of ODOT's 2008-2009 Business Plan; and
- Chairing the 21st Century Transportation Task Force.

Chairwoman Molitoris introduced Terra Goodnight, Executive Assistant for Transportation Issues, Governor Strickland's office, and reported Ms. Goodnight was present to speak about the Governor's *Building Ohio Jobs* initiative later in the meeting.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Matthew Dietrich presented his Executive Director's report to the commissioners. Director Dietrich highlighted some of the points identified in his report. He first spoke about the Diesel Emission Reduction Grant (DERG) program and reported ODOD had received 11 applications from six railroads totaling $29,271,124 in requests for assistance. He

announced ORDC will be the public sponsor for these applicants who have total project costs of $36,700,000. Director Dietrich reported these project applications were for new GEN-SET locomotives and Auxiliary Power Units as well as other items.

Director Dietrich reported on the Ohio Hub plan and where ORDC is in process of advancing that plan. He indicated staff has submitted appropriation requests for four of the Ohio Hub corridors to the corresponding member of Congress.

Director Dietrich reported on his recent trip to Washington D.C. to meet with the Ohio delegation as well as staff of Governor Strickland's Washington office. He reported this trip was to discuss the PEIS requests and other issues concerning rail. Director Dietrich stated the trip was a success and the meetings were well received.

The third issue Director Dietrich highlighted from his report was the Capital Bill request to the Office of Budget and Management (OBM). He reported ORDC has submitted its first ever capital bill request and it has three elements: a proposal to utilize the capital bill for railroad grants; a request to pay off the Certificates of Participation on the Panhandle; and a request for funds to rehabilitate a bridge along the Panhandle line. Director Dietrich announced he and Secretary-Treasurer Megan McClory will continue meeting with OBM on this matter.

The last highlight from the Executive Director's report is Outreach and Communication. Director Dietrich spoke about the marketing efforts ORDC is undertaking with the Ohio Department of Development (ODOD). He reported Stu Nicholson, ORDC's Public Information Officer, is working closely with the staff of ODOD's Communications and Marketing Office to develop materials for ORDC and the rail industry in general.

Commissioner Jackson referenced an item identified in Director Dietrich's report on weight limits for tracks hauling three or more steel coils. There is a movement to increase Gross Vehicle Weight from 92,000 lbs to 120,000 lbs. Commissioner Jackson inquired if ORDC has/should take a position on this issue. Discussion took place with Representative Hagan stating that this issue has routinely come up over the past 20 years and reported this proposal represents increased wear and tear on an already strained highway system but also represents a major safety issue. He suggested the Commission should take a position on this.

Art Arnold, Executive Director of Ohio Railroad Association, reported on the proposed amendment to this bill stating it is HB 30 and that Representative Ross McGregor is the sponsor of the bill. He indicated his organization was against this weight increase and they were following the bill's progress. Mr. Arnold reported the proposed amendment is scheduled for a vote on April 1st by the Senate Transportation and Highways Committee and that there would likely be very little opportunity for testimony. Mr. Arnold stated if this amendment passes no other state, other than Ohio, will have this type of load limit.

Commissioner Wolfe stated that he believes this amendment would open the doors to the weight limitations for other types of shipments being increase and that this is the wrong time for this action because of the current highway funding situation.

Paul Staley, Policy Director for ODOT and Director Beasley's designee for this meeting, stated for the record that ODOT was still in the process of reviewing this proposal and that ODOT has not yet taken a position on this issue.

Commissioner Kimberly Gibson also indicated that ODOD has yet to take a position on this issue as well as the Department is still looking at the pros and cons of the amendment.

Chairwoman Molitoris stated she was not comfortable requesting the commission to make a motion to take a position on this bill until she has had an opportunity to speak with Director Beasley on this issue. She indicated if a vote were to take place she would have to abstain from the vote. Commissioner Gibson echoed Chairwoman Molitoris' concerns and position as did Mr. Staley. She suggested this issue be taken up at the next commission meeting (scheduled for May 8) when all commissioners have had a chance to look more intently into this matter.

BUILDING OHIO JOBS PRESENTATION

Terra Goodnight, Governor Strickland's Executive Assistant for Transportation Issues, gave a presentation on the Governor's *Building Ohio Jobs* plan, a $1.7 billion bond package that will create jobs and lay the foundation for long-term economic prosperity in the State.

Ms. Goodnight explained the plan will be put on the November statewide ballot, either by approval of the General Assembly or by public petition. The plan includes a $150 million funding package directed toward transportation and logistics infrastructure needs, including freight rail.

Ms. Goodnight stated that the Governor's plan is in keeping with his administration's overall philosophy of "living within our means and investing in what matters" and also stated that Ohio is currently in an almost "no growth economy" and can no longer achieve prosperity by continuing to cut funding and budgets.

Chairwoman Molitoris reported the recent opening of the Norfolk Southern Railroad Rickenbacker Intermodal Yard is a significant indicator of what the future holds for Ohio if it invests in its rail infrastructure and overall transportation systems. Referring to the recently released *National Surface Transportation Policy & Revenue Study Commission Report: Transportation for Tomorrow*, Chairwoman Molitoris stated that Ohio must change the way we develop and fund transportation if we are to be competitors in the future.

Resolution 08-05 – Motion to Approve Governor Strickland's *Building Ohio Jobs* Initiative

Chairwoman Molitoris asked for a motion to approve Resolution 08-05 in support of Governor Strickland's Building Ohio Jobs initiative. Commissioner Wolfe moved to approve the resolution and Commissioner Sowers seconded the motion. Roll call was taken and the motion passed unanimously with eight votes in the affirmative.

Resolution 08-06 – Motion to Oppose Increase in Gross Vehicle Weight

Commissioner Wolfe again raised the point that he felt the commission should go on record in opposition of this effort. He offered his assistance in doing whatever he could to stop the weight increase from happening. Commissioner McOwen stated he was ready to make a motion opposing the increase in gross vehicle weight.

Commissioner McOwen made the motion to "oppose increases to the allowable gross vehicle weight for trucks operating in Ohio." Commissioner Wolfe seconded the motion. Roll call was taken with five votes in the affirmative, three abstentions and two absent. The motion passed with a majority vote.
NOTE: Chairwoman Molitoris, Paul Staley and Kimberly Gibson all abstained from the vote.

FINANCE REPORT

Megan McClory, ORDC Secretary-Treasurer, presented the Finance Report to the commissioners (beginning on page 3 of the commission packet). Ms. McClory spoke about the first of three events that are being sponsored by MORPC. The *Ohio Transportation Leadership Forum,* is being held on Wednesday, March 19 at the Hyatt on Capital Square. She inquired if any of the commissioners are interested in attending and asked that they please let her know so she can get them registered. She reported Commissioners Gibson and Wolfe are already registered and that she and Director Dietrich would be in attendance as well.

Ms. McClory explained that the Office of Budget and Management had asked agencies to prepare plans in January to reduce the current biennium's budgets by 10% and 16% in each fiscal year. If ORDC was required to absorb the full cut amount, it would have reduced the grant program over two years by $500,000 to almost $1 million. After discussing the impacts of the cuts with Director Beasley, he recommended to OBM to make GRF reductions in ODOT programs that are eligible to be back-filled with federal funds and to hold harmless those that couldn't, i.e. Rail and Aviation. OBM accepted this recommendation, and while ORDC is still making some budget reductions and implementing spending controls, the grant program will continue at its current level.

Chairwoman Molitoris pointed out that while holding ORDC's grant program harmless may be small in the big scheme, Director Beasley held firm because he wants intermodal transportation to thrive.

Ms. McClory noted that travel reimbursement rules have changed and asked that Commissioners with questions about the changes contact Gloria Howard of the ORDC staff.

Ms. McClory then noted that 56% of the ORDC's Heartland Corridor grant has now been distributed. She also stated that staff is working to get statutory language related to accessing the enterprise bond fund for rail projects into legislation this spring.

PROJECT

Resolution 08-03; Wheeling & Lake Erie Railway/Carrollton Branch Rehabilitation

Ms. Beverly Lee, ORDC Planner, presented Resolution 08-03 to the commissioners. Ms. Lee reported Wheeling & Lake Erie Railway is requesting a grant of $250,000 to assist with their rehabilitation efforts along 26 miles of track between Canton and Carrollton. She stated this project will retain rail service for six shippers, retain 360 jobs and create 50 or more jobs.

Mr. Pat McCune, Wheeling & Lake Erie Railway representative, was present to answer any questions and apologized for Mr. Bill Callison and Mr. Larry Parson's absence as both were traveling and unavailable to attend the meeting. He stated the project is a "critical component of our system and its potential for moving more coal."

Commissioner Jackson inquired where the majority of the job creation will come from. Ms. Lee responded by stating that Rosebud Mining will create the majority of the jobs and Noramco will create new positions as well. She indicated that other shippers along the line have committed to creating additional jobs if track conditions are improved.

Commissioner Jackson stated that it seems unusual that the Wheeling & Lake Railway would be responsible for other entities' job creation. Lou Jannazo, ORDC's Chief of Project Development, said this method avoids the need for three-party agreements but that staff could look at other arrangements if the Commission desired.

Commissioner Jackson inquired about the result of this project if an economic downturn were to happen. Mr. Jannazo responded by reporting that ORDC works with the company's who do not meet their commitments and always takes business conditions into account but does include "claw-back" provisions in all of its contracts. He stated ORDC does not want to hurt businesses by being too harsh and that staff can better serve the state's interest by making sure all parties act in good faith.

Commissioner Gibson made a motion to approve Resolution 08-03. Commissioner Wolfe seconded the motion. Roll call was taken and the motion passed with eight votes in the affirmative.

2008 REHABILITATION PROGRAM
Resolution 08-01; Akron Metro Regional Transit Authority/Canton Line Bridges

Lou Jannazo presented the Akron RTA project to the commissioners (found on page 15 of the commission packet). Mr. Jannazo reported this request is for a grant in the amount of $200,000 to assist with necessary repairs to two bridges located between Akron and Canton at mileposts 21.3 and 21.6. He introduced Kirt Conrad of Akron Metro RTA who was present to answer any questions. Mr. Conrad spoke about the spoke in support of this project and the need to *repair* one bridge and *replace* a second along the rail line, saying it not only is an economic development issue but a flood control issue as well. He stated that heavy rainfall and resulting flooding in the North Canton area a few years ago was worsened by the existing bridges and their support abutments.

Commissioner Jackson inquired about the bridge design costs; noting the costs for the WESTCO bridge project on the agenda are significantly less than the design costs for this project. Mr. Jannazo responded by saying the design work for the WESTCO was done on a similar bridge last year and that utilizing the same plans accounted for the cost savings. Mr. Conrad also stated that the Army Corps of Engineers is involved and that is reflected in the design costs. Commissioner Bennett stated that design costs are usually about 15-20% of construction costs for ODOT bridges but because this project involves flooding in a highly developed area, the hydraulics work and additional cost make sense.

Chairwoman Molitoris asked for a motion to approve Resolution 08-01. Commissioner Gibson moved to approve the resolution and Commissioner Bennett seconded the motion. Roll call was taken with eight votes in the affirmative.

Resolution 08-04; West Central Ohio Port Authority (WESTCO) Sugar Creek Bridge
Lou Jannazo presented Resolution 08-04 to the Commissioners (pg 55 of the Commission packet). Mr. Jannazo reported WESTCO is requesting a grant of $250,000 and a loan of up to $400,000 to assist with costs associated with the replacement of the Sugar Creek bridge in Fayette County.

Mr. Jannazo introduced Larry Himes, Executive Director of WESTCO, who was present to answer questions. Commissioner Gibson stated that the rail line involved in the bridge replacement project serves not only several important existing businesses but also a job-ready Mega-Site that she called "a critical piece of our rail-ready infrastructure." This fact was also acknowledged by Mr. Himes who said the site was also once considered for a Honda plant that ultimately went to Indiana. The bridge replacement, he said, would help the existing shippers on the line and enhance the marketability of the Mega-Site.

Chairwoman Molitoris asked for a motion to approve Resolution 08-04. Commissioner Sowers moved to approve the resolution and Commissioner Wolfe seconded the motion. Roll call was taken with eight votes in the affirmative.

APPROVED PROJECT BRIEFINGS
NOTE: Due to time constraints, Chairwoman Molitoris opted to forego the individual reviews of each of the seven Approved Project Briefings choosing, rather, to move ahead to the Panhandle Long Term Lease Committee Report by Committee Chairman, Tom McOwen. Chairwoman Molitoris noted, however, she was confident each of the Commissioners had reviewed their packets in its entirety and offered them the chance to ask questions or request clarification on any of the briefings. No one had any questions so Chairwoman Molitoris moved ahead with the Committee report. The seven Approved Project Briefings are identified below:

- Camp Chase Railroad Company/Phase II Track Rehabilitation
- Cleveland Commercial Railroad/Continuing Track Improvements
- RJ Corman/Cleveland Line Rehabilitation
- Indiana Northeastern Railroad/Crossing Upgrades
- Maumee & Western/Defiance Yard & Track Rehabilitation
- Ohi-Rail/Grade Crossing Vegetation Control
- Youngstown & Southeastern Railroad/Rebuilding Four Crossings

PANHANDLE LONG TERM LEASE COMMITTEE REPORT
Committee Chairman Tom McOwen gave a brief history of the Panhandle Line and the reasons why the State stepped in to save it from abandonment and scrapping. He stated it was "absolutely the right move" by the State of Ohio.

Chairman McOwen then delivered a description of the 25-year lease proposed by the Columbus & Ohio River Railroad (C&OR). He described the negotiation process thus far as "very complicated" and "more than anyone anticipated," but stated his belief is that the committee is close to being able to make a final recommendation to the full commission on whether to grant the long-term lease and how it should be structured.

Chairman McOwen reported the Panhandle Lease Committee has met four times since January, with another meeting scheduled for March 24th. The most recent meetings, he said, focused on the issues of the rent/lease price for the rail line and liability insurance issues associated with existing and proposed excursion operations on the line involving the Depot Museum in Dennison, Ohio, Tuscarawas County.

Regarding the issue of a lease rate for the rail line, Chairman McOwen reported the state needs to have a reasonable return on its investment in the line but not negatively impacting shippers or the railroad by making certain that no unnecessary burdens be placed upon the railroad that would put it at a competitive disadvantage. He also stated that it was the committee's intent to ensure that the rail line continue to be maintained and improved.

Chairman McOwen stated that the Committee has asked that a 2004 appraisal of the Panhandle Line be updated in order to help determine a reasonable lease price for the line. Once that is completed, he said, a draft lease agreement can be completed and put out for public comment. The committee was not comfortable utilizing an outdated appraisal when trying to determine the lease price.

On the issue of special rail excursions on the Panhandle line, Chairman McOwen told Commissioners that though there is "great interest from the Dennison area" in running a number of special excursions during any given year, the railroad was in a position where it can no longer assume the full risk, even though the Ohio Central (C&OR) has historically been excursion-friendly over the years. Saying that liability insurance has become costly to both the excursion operators and the railroad, Chairman McOwen reported there doesn't appear to be an easy solution in the form of limiting liability. Chairman McOwen referred to a presentation by railroad insurance expert Robert McCarthy who told the Committee that even a legislative "fix" at the state level is not "bullet-proof" as it could be challenged in the federal courts. McOwen said it was the Committee's desire, however, to continue working with stakeholders and the Ohio General Assembly to identify a potential legislative solution.

Chairwoman Molitoris and Commissioner Jackson complimented the Commissioners and Chairman McOwen specifically, for their efforts on this issue.

NEW BUSINESS

Chairwoman Molitoris reviewed the committees (Legislative, Human Resources, Economic Development/Long-Term Strategy and Budget/Fiscal) and suggested that with travel and other time commitments the Commissioners may have that the Committee Chairs consider scheduling meetings on the same day as the regular Commission meetings. A short discussion followed with Commissioner Bennett indicating she plans to meet with her committee members soon and apologized for not getting together earlier.

Chairwoman Molitoris mentioned her recent trip to Washington DC to meet with Congresswoman Marcy Kaptur and characterized it as very productive.

PUBLIC COMMENT

Andrew Bremer, Executive Director of All Aboard Ohio, reported his organization is pleased with the direction the commission is taking and indicated his organization will keep forging ahead to spread a positive message on transportation and rail-related matters.

Mr. Bremer reported All Aboard Ohio's Legislative Summit is scheduled for April 30th and invited all who would like to participate.

ADJOURNMENT

Chairwoman Molitoris called the meeting adjourned at 12:15 p.m.

NOTE: Due to technical difficulties with the recording device this commission meeting was not recorded on audio tape. The issue was not discovered until after the meeting had adjourned.

Executive Director Report – Matt Dietrich

1. Steel Coil Issue: I testified before the Senate Transportation Committee in opposition to a potential amendment to House Bill 30 on April 8th. Additionally, ODOT has included ORDC in a working group regarding the broader issue of special hauling permits. As you may be aware, ODOT has been working with the trucking industry regarding the special hauling permits. The steel coil issue is but one of many issues associated with special hauling permits. ODOT hopes to have recommendations on change to the special hauling permits soon. Attached to this report is a copy of my testimony, a copy of the Ohio Rail Association's testimony and a copy of ODOT's presentation regarding Special Hauling Permits.

2. Norfolk Southern Application to OKI for double-stack clearance: ORDC is partnering with Norfolk Southern for an application to OKI Council of Governments for improvements in the Cincinnati area for double-stack clearance. This application is part of a larger project that will enable NS to improve intermodal service to Cincinnati by building on the current investment at Rickenbacker. The goal of the project is to create a double-stack cleared corridor between Cincinnati and Columbus to create a more direct route to Cincinnati rather than the current southern route. The total clearance project is currently estimated at approximately $5 million.

3. Bipartisan Economic Stimulus Package: At the March Commission meeting the Commission passed Resolution 08-05 which supported Governor Strickland's Build Ohio Jobs Proposal. As you are all aware, Governor Strickland and the General Assembly reached a compromise regarding the Build Ohio Jobs Proposal. Attached to my report is a summary of the Stimulus Package and its funding sources.

4. MORPC Conference: On March 19th, the Mid Ohio Regional Planning Commission hosted the Ohio Transportation Leadership Forum. Several Commissioners and staff attended. This was a very information conference including presentations from:
   - Ben Ritchey, Vice President, Transportation, Battelle
   - James G. Beasley, P.E., P.S., Director, Ohio Department of Transportation (ODOT)
   - Brian Pallasch, Managing Director, Government Relations and Infrastructure Initiatives, American Society of Civil Engineers (ASCE)
   - Jack Basso, Chief Operating Officer and Business Development Director, American Association of State Highway and Transportation Officials (AASHTO)
   - Jack Schenendorf, Vice Chair, National Surface Transportation Policy and Revenue Study Commission
   - Fred Abousleman, Executive Director, National Association of Regional Councils (NARC)

- U.S. Senator George V. Voinovich
- Janet Kavinoky, Director of Transportation Infrastructure, U.S. Chamber of Commerce and Executive Director, Americans For Transportation Mobility, U.S. Chamber of Commerce
- Anne P. Canby, President, Surface Transportation Policy Project

The link to the presentations is:
http://www.morpc.org/transportation/funding/infrastructure.asp#otl

5. ODOT's 21st Century Task Force: Included as an attachment to this report is a copy the materials regarding this effort. Chairwoman Molitoris is leading this effort by ODOT in her role as Assistant Director. ORDC staff will be supporting this State Initiative as needed throughout the process. The inaugural meeting is May 7th in Columbus.

6. Staff has been active in its outreach efforts. Staff has given presentations for: Lorain County Transportation Day, Ohio Rail Tourism Association Annual Meeting, All Aboard Ohio Legislative Day, OKI Council of Governments Board Meeting. Additionally, I was invited and participated in a television interview regarding the status of passenger rail in Ohio by the Statehouse News Bureau on April 30th. ORDC has been taking a more holistic approach to its presentations by including an overview of all of ORDC's activities in all its presentations. These presentations have been well received. Stu Nicholson should be commended for his work ensuring that ORDC present a consistent and comprehensive message in whatever it does.

7. We are currently scheduling meetings with shortline railroads to discuss issues in Ohio, future needs, etc. The meetings will occur with ORDC managers and the railroads. Because of staff changes as the ORDC as well as some of the railroads, the purpose of these meetings is to provide the ORDC managers and myself an opportunity to continue to build the relationships with our railroad partners that are needed for these partnerships to work on a daily basis.

Senate Highways and Transportation Committee
Testimony of the Ohio Rail Development Commission
Regarding Possible Amendments to House Bill 30
April 8, 2008

Mr. Chairman and Members of the Committee, my name is Matt Dietrich and I am here representing the Ohio Rail Development Commission in regard to a proposed amendment to House Bill 30 that would affect the permitting of steel coils on trucks.

The Ohio Rail Development Commission (ORDC) is an independent agency within the Department of Transportation directed to develop, promote, and support safe, adequate, and efficient rail service throughout the state. As an independent agency, ORDC works closely with other transportation, regulatory and development agencies at the federal, state and local levels. ORDC strives to be a "one-stop" clearinghouse of information and provide assistance for Ohio communities and businesses on rail-related issues.

I give you this background to answer a question that I have been receiving a lot lately. "Why does the Rail Commission care about truck weights on the highway?" For many of the same reasons the proponents of this amendment are bringing it forward for consideration: The manufacture of steel in the State of Ohio is a critical element to our economy with far reaching consequences.

Like any major manufacturing segment of the economy, the steel industry has an economic multiplier effect to the state that is huge. Steel has been and continues to be a very important industry for Ohio. A recent study conducted by the Ohio Department of Development determined that Ohio is 2nd in the nation in iron and steel production with 34,000 employees in the state with an average annual salary of $59,000. This Committee's consideration of this amendment is an example of that importance. Another indication is the number of steel industry-related projects that ORDC has funded. Since 1994, ORDC has funded approximately $8.8 million in loans and grants for rail projects that were related to steel shippers. The steel industry is important to the state and ORDC's record of support acknowledges that fact.

Steel movements are also an important component to the rail industry. Much investment by railroads, companies and the state has gone into business decisions that are based on the current environment. Part of that environment is predicated on the regulations or business rules governing truck weights and movements throughout Ohio. While the railroad industry in general is doing well, that is not necessarily true for every rail line in the state. The loss of a few hundred carloads for some of these short lines would have a devastating impact on their bottom lines. I am not here to say that the proposed amendment would result in bankrupt short lines; only that ORDC knows of some short lines that would be adversely impacted by the loss of coil business. The proposed amendment could, and I want to emphasize could, impact or alter the railroads ability to invest in track improvements, equipment and other capital investments that may affect other rail shippers in the state as well. The fact of the matter is we just don't know at this time.

Another point to consider is that this action is being considered in a time of a transportation funding crisis. Whether it is ODOT budget shortfalls, the Federal Highway Trust that will soon be insolvent or a flattening of gas tax revenues, the overall picture of traditional transportation sources does not appear positive. Railroads are built to routinely handle 200,000 lb. loads. Highways are built to routinely handle 80,000 lb. loads. Basic economics tells us that if more coils and more weight can be put on a single truck, the costs of trucking will go down. Indeed, this is the goal of the amendment, to lower trucking costs for the steel industry. So in effect, the proposed amendment could drive heavy weight freight traffic off a privately-owned rail infrastructure built to handle the heaviest weights, onto publicly-owned highways not built to handle such weight and with an uncertain funding future. My question for all of you to consider is whether this amendment improves or worsens the highway funding situation for Ohio?

With all of this as background a majority of the Commissioners passed a resolution opposing increases in truck weights above existing levels. The Rail Commission understands this is an important issue. This is a question of how the state can create an environment that makes Ohio businesses competitive on a global level. But, the Rail Commission has real concerns that public policy decisions taken quickly and in isolation of all the factors involved could have unintended ripple effects for Ohio. While I can't speak for every individual Commissioner, I can say that a common concern was the sense of urgency because this issue was being considered as an amendment to an existing bill that already passed the House of Representatives. Parliamentary procedure aside, the Commission believes that this issue is just too important to the state to be considered in this way.

Since the Resolution was passed the ORDC has been actively seeking information regarding this issue and trying to establish dialogue with all concerned parties and will continue to do so. We have learned that for a time, the viability of one shortline railroad, Ohio Central, depended on short haul steel moves. Thankfully that traffic base has increased and diversified, but if it wasn't for the ability of the railroads to compete for that steel business that line might not be there today for any shippers who currently utilize this transportation option.

We have also learned that during 2007 one of the Class I railroads moved over 13 million tons of steel to, from and within Ohio. Over 400,000 tons of the moves were short haul steel coil moves within Ohio. Most of these moves were in lanes of less than 200 miles. During the past 10 years this same railroad added over 2,500 coil cars to its fleet as well as track infrastructure investments to meet the needs of Ohio's steel industry.

Our colleagues at the Ohio Department of Transportation are examining the broader issue of overweight/oversized permitting rules and how Ohio compares to other states.

We are examining the needs of the traffic managers at steel facilities and what goes into their decision-making processes.

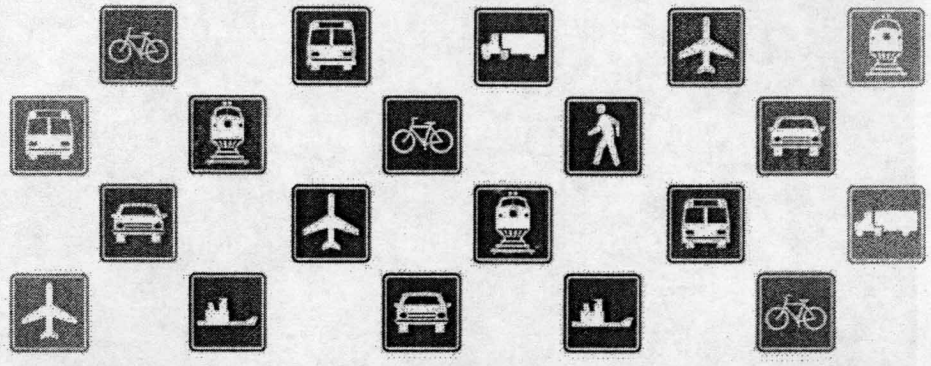
Above all, we have learned through our research and conversations in recent weeks that there is much that is not known at this time. Are there still any railroad branch lines that will no longer be viable without the steel moves? How does such a change impact infrastructure investment by the railroads, steel service centers, state and local governments and others in Ohio? What are the consequences of inaction for Ohio's steel industry? Are there other opportunities that the Commission can help facilitate such as new rail spurs or rail transload facilities that reduce the need for changes in gross vehicle weight? At this point, there are too many unanswered questions of the effects that action taken today could have on Ohio.

To our benefit, Ohio now has a Director of Transportation who has gone out of his way to include rail and other modes in his deliberations on a great many transportation issues and I thank him for that. My request of you today is that you take advantage of this opportunity to allow all of us to continue this work. Allow ODOT to fully investigate this issue and develop recommendations on how to proceed. Allow the ORDC to continue to work with steel industry representatives to better learn the needs of the industry. Together, I believe we can make progress in reaching an understanding of the issues affecting all parties concerned. At the end of that process we might not all agree, but at least then, you as decision-makers will have as much information as possible to consider this very important issue.

Thank you for your time. I would be happy to answer any questions.

OHIO DEPARTMENT OF TRANSPORTATION

Special Hauling Permits



TED STRICKLAND, OHIO GOVERNOR JAMES G. BEASLEY, P.E., P.S., ODOT DIRECTOR

ODOT Special Hauling Permits

Overweight and Oversized Loads

Presentation Overview

- Finding a Balance
- Understanding Permitting Process
- Supporting Ohio's Steel Coil Industry
- Tackling the Tough Issues
- Timeline for Action

ODOT Special Hauling Permits

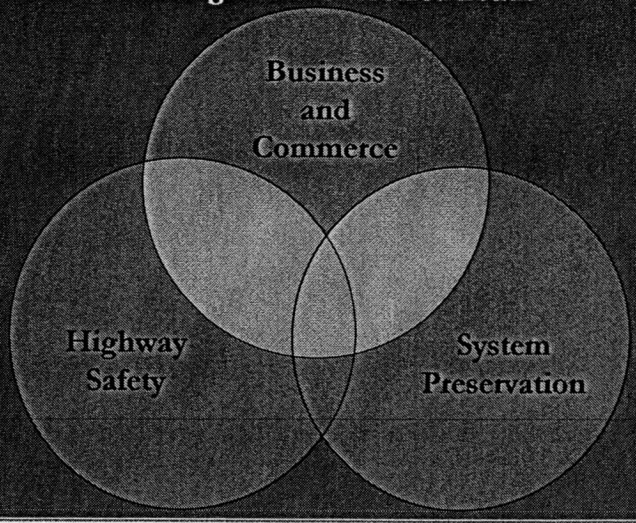
Overweight and Oversized Loads

ODOT Mission

To seamlessly link Ohio's highways, railways, transit, aviation and port facilities, the Ohio Department of Transportation will promote a world-class, integrated multi-modal transportation system that is efficient, cost-effective and reliable for all of the state's citizens, businesses, and travelers

ODOT Special Hauling Permits

Overweight and Oversized Loads



ODOT Special Hauling Permits

Overweight and Oversized Loads

Impact to Several State Agencies

Dept. of Transportation

Dept. of Public Safety/State Highway Patrol

Public Utilities Commission

Dept. of Development

Ohio Turnpike Commission

Ohio Rail Development Commission

ODOT Special Hauling Permits

Overweight and Oversized Loads

Presentation Overview

- Finding a Balance
- Understanding Permitting Process
- Supporting Ohio's Steel Coil Industry
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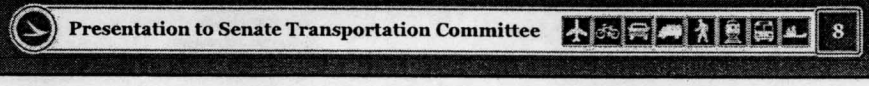
ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT issues permits for loads:

- exceeding statutory dimensions
  (75 ft. length - 13 ft. 6in height - 8 ft. 6 in. width)
- exceeding weight limit
  (80,000 lbs in Gross Vehicle Weight - GVW)
- load cannot be reduced in weight or size
  (non-divisible load - defined later)

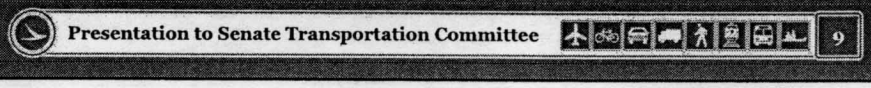


ODOT Special Hauling Permits

Overweight and Oversized Loads

In 2007 ODOT issued 273,454 Permits

- Routine single trip: 216,741 (79.3%)
- Routine 90 day permit: 8,615 (3.2%)
- 365-day permit : 22,967 (8.4%)
- Superload permits 25,121 (9.2%)



ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT Permit Administration:

- Verifies that the applicant has valid financial responsibility
- Performs a route analysis on every permit application, examining the vehicle and requested routes for:
  - Roadway restrictions and closures
  - Structural clearances
  - Roadway geometrics
  - Weight analysis on bridges
  - Railroad crossings
  - Other roadway features that may prevent the vehicle from travel

ODOT Special Hauling Permits

Overweight and Oversized Loads

Superload permits receive additional review

- Special bridge crossing instructions
  - Vehicle Isolation
  - Speed restrictions
  - Special vehicle configurations
- Escort requirements
  - Private Escorts/Pilot Cars
  - Height sensing devices
  - Law Enforcement (OSHP)
  - ODOT Escorts
- Markings, signage or lighting requirements
- Restricted travel times or dates

ODOT Special Hauling Permits

Overweight and Oversized Loads

Defining a Non-divisible Load

- **Code of Federal Rgulations** ***(23 CFR 658.05)***

  As used in this part, *non-divisible* means any load or vehicle exceeding applicable length or weight limits which, if separated into smaller loads or vehicles, would:

  - Compromise the intended use of the vehicle, *i.e.* , make it unable to perform the function for which it was intended;
  - Destroy the value of the load or vehicle, *i.e.* , make it unusable for its intended purpose; or
  - Require more than 8 work hours to dismantle using appropriate equipment.

ODOT Special Hauling Permits

Overweight and Oversized Loads

Defining a Non-divisible Load

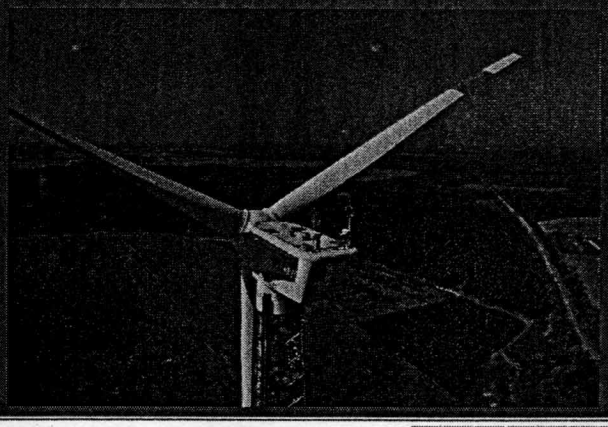
- **Ohio Administrative Code** ***(OAC 5501:2-1-01)***

  "Nondivisible" means that which cannot be reduced in size or weight, or which is impractical to divide, or which cannot be so adjusted as to be within the size and weight limitations specified in sections 5577.02 to 5577.05 of the Revised Code.

ODOT Special Hauling Permits

Overweight and Oversized Loads

Examples of a Non-divisible Load



ODOT Special Hauling Permits

Overweight and Oversized Loads

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ODOT Special Hauling Permits

Overweight and Oversized Loads

Brief History of Steel Coils in Ohio

- ODOT began issuing permits for overweight steel coils in the early 1980's.
  - Load was restricted to 1 steel coil
  - Gross Vehicle Weight 90,000 lbs.
- ODOT began issuing permit for higher overweight vehicles in the late 1980's
  - Would allow a bigger coil to be transported
  - Gross Vehicle Weight 120,000 lbs.

ODOT Special Hauling Permits

Overweight and Oversized Loads

Brief History of Steel Coils in Ohio

- In the early 1990's the steel industry approached ODOT requesting that permits issued for:
  - 2 steel coils at 120,000 lbs (citing that the single coil was too big for the steel industry's customers)
  - ODOT consented

ODOT Special Hauling Permits

Overweight and Oversized Loads

Brief History of Steel Coils in Ohio

- Steel coil permits were also expanded in the early 1990's
  - Introduction of the Toledo Port Permits
  - Kept the Toledo Port competitive with Michigan Ports
  - Any commodity - Gross Vehicle Weight 154,000 lbs
- In mid 1990s, Toledo Port Permits were expanded to include the Delta, Ohio Steel complexes

ODOT Special Hauling Permits

Overweight and Oversized Loads

Brief History of Steel Coils in Ohio

- Steel industry approached ODOT in 1998 to allow three steel coils at a lesser weight
  - ODOT refused. Concern that if coils could be reduced in size to accommodate three coils for Gross Vehicle Weight of 120,000 lbs., then two could be transported at legal weight
- In 2001, steel industry worked to obtain legislation requiring ODOT to issue permits for three steel coils
  - Maximum Gross Vehicle Weight of 92,000 lbs
  - Temporary Language placed in Transportation Budget, renewed in subsequent bills

ODOT Special Hauling Permits

Overweight and Oversized Loads

Brief History of Steel Coils in Ohio

- Special Note: currently single steel slab allowed, multiple slabs considered divisible load

ODOT Special Hauling Permits

Overweight and Oversized Loads

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ODOT Special Hauling Permits

Overweight and Oversized Loads

2007 Freight Transportation Task Force

- Examine and evaluate state's ability to provide for safe and efficient movement of freight within Ohio during next two decades
  - Consisted of 26 members
  - Provided insight on range of freight issues and suggestions for future study

ODOT Special Hauling Permits

Overweight and Oversized Loads

2007 Freight Transportation Task Force

- Information presented by ODOT
  - Currently, more than 950 million tons of freight, valued at $1.8 trillion, is transported into, out of, within, and through Ohio
  - 60% of this freight moves by truck
  - By 2020, nearly 1.4 billion tons of freight, worth more than $2.8 trillion, is expected to be transported
  - Ohio averages 151 fatal crashes (175 deaths) each year involving large trucks weighing more than 10,000 pounds
  - According to the national study, one large, legally loaded truck weighing 80,000 pounds puts about the same wear and tear on a road as 9,000-10,000 cars

ODOT Special Hauling Permits

Overweight and Oversized Loads

2007 Freight Transportation Task Force

- Recommendations offered in final report
  - Recommend that ODOT study and report on impact of various vehicle types and vehicle weight configurations
  - Ask ODOT to review and compare vehicle weight configurations and fee structures charged by Ohio's neighboring states
  - Conduct a lengthy and in-depth study before any changes are made to truck weights and sizes
  - Before extending or adopting any increases or exceptions in truck weights, asses the full costs to the public, and if prudent create policies to recapture any costs from freight carriers
  - Collect data and develop an analysis to determine the effect of heavy trucks on Ohio bridges

ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT efforts to address Industry Challenges

CHALLENGE 1: Improve Permit Administration and Safety Measures

- Re-transmission of Permits
  - Enables faxing of issued permits after business hours
  - Eliminates need to predict driver location to receive permit
- Exiting the permitted route to access fuel, food or rest
  - Crossing non-analyzed structures
  - Unknown roadway geometrics
- Issues Currently Being Addressed
  - Alterations/Legibility of permits
  - Eliminating fraudulent use of voided permits

ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT efforts to address Industry Challenges

CHALLENGE 2: Increase in Permit Thresholds

- Issuing Routine Permits with 60,000 lbs. on tri-axles
- Increasing Routine Permit threshold from Gross Vehicle Weight120,000 lbs. to 132,000 lbs
- Raising permitted weight for 3 Steel Coils from 92,000 lbs. to 120,000 lbs
- **Concerns**
  - Safety: load securement and vehicle dynamics
  - Higher concentration of weight
  - Routing options limited based on structural conditions
  - Accelerated wear and tear on structures and pavements

ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT efforts to address Industry Challenges

CHALLENGE 3: Alignment and Coordination with the Ohio Turnpike and Other Transportation Modes

- Issuing Permits for Overseas Sealed Containers
  - Levels the disparity between foreign and domestic weight limits
  - **Concerns**
    - Permitting these divisible loads may incite other industries to request same consideration
    - Potential intermodal opportunity
- Coordinate with Ohio Turnpike Commission
- Consideration of more Transload Facilities

ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT efforts to address Industry Challenges

CHALLENGE 4: Aligning Fees to Compensate for Infrastructure Impacts and Compatibility with Other States

- Difficult side-by-side comparison based on differences in:
  - Issuance of single trip, 90 day, or 365 day permits
  - Permit with specific limit on distance
  - Addition of mileage-based fees
  - Different routine load configurations
  - Turnpike/Industry specific routes vs. state system

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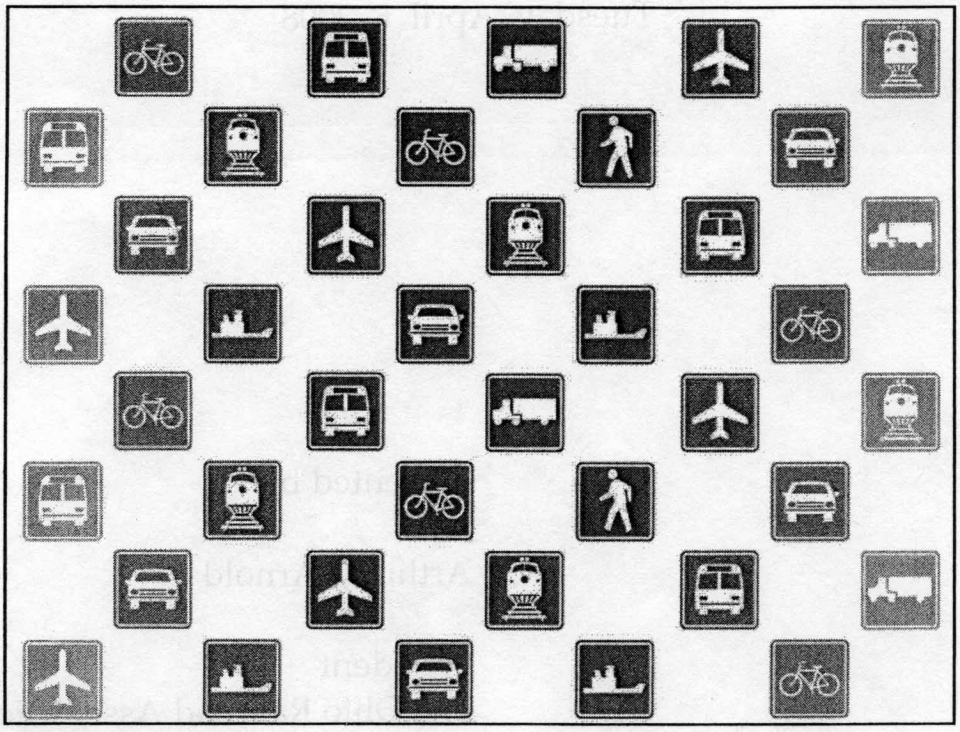
ODOT Special Hauling Permits

Overweight and Oversized Loads

ODOT timeline of next steps

- April 8: Industry Input/Testimonials on need for change
- Ongoing: Coordination with other state agencies
- Ongoing: Continued evaluation of system impacts
- April 15: Share draft regulation changes and fee structure for comment
- April 25: File proposed changes to administrative rules
- July 2008: Pending JCARR, new rules go into effect



TESTIMONY

Expanded Truck Permit Operations

before the

Senate Highways and Transportation Committee

Tuesday, April 8, 2008

Presented by:

Arthur J. Arnold

President
The Ohio Railroad Association

Thank you for the opportunity to present the concerns of the Ohio freight railroad industry regarding a proposal to amend legislation to permit trucks to carry three coils of steel at a gross vehicle weight of 120,000 lbs., or sixty tons, on the public roads and bridges. This proposal also includes a new commodity, steel slabs, to be carried at these same weights and in an unlimited number. We are concerned, and we believe this committee, the General Assembly, and the public should be concerned, about this proposal for three reasons: the history behind this issue and the late amendment process favored by the proponents of increased truck weights over the years; the competitive advantage this legislation will provide to the trucking industry at the expense of the state's freight railroads, leading to the likely diversion of freight from railroads to the highways; and the impacts of these heavy trucks on our roads and bridges, including the cost of those impacts that are being borne by the public and the safety of other highway users.

We have been here before, ladies and gentlemen. In 2001, this committee addressed the transportation of more than one steel coil for the first time. At that time, ODOT opposed the effort made to obtain legislative approval to carry these coils at 120,000 lbs.. Then committee Chairman Jeff Armbruster and ODOT Director Gordon Proctor, in consultation with the trucking, steel, and rail interests, negotiated an agreement to allow three steel coils to be carried at a gross vehicle weight of 92,000 lbs. or six tons over the 80,000 lb. truck weight limit by special permit issued by ODOT. We didn't like it, but we agreed to the deal that was brokered. That agreement, coupled with the rebound of the domestic steel market, has led to increased coil business for both modes. Truck permit numbers for steel coils have grown steadily in recent years, according to ODOT. Now, seven years later, when term limits has had the effect of changing the faces of this committee, here come the steel and trucking and manufacturing interests to ask again for a change in state transportation policy made by an amendment rather than receiving a full hearing through the legislative process. And so we again oppose the amendment and the process, but we support the opportunity to see what we have learned in the past seven years and what we still don't know.

What we didn't know in 2001 was that ODOT, in 1987, had approved a request by the state's steel industry to obtain permits for 120,000 lb. steel coil trucks. At that time, it was for a single massive coil. Soon after that was approved, the steel companies came back to ODOT and asked that they be allowed to carry two coils because one giant coil was proving to be too much for their customers to accommodate. The fact that ODOT was in 2001 issuing permits for 1 or 2 steel coils to be transported by permit at weights up to 120,000 lbs. was never mentioned by ODOT or by the proponents. We never heard from anyone at that time about the administrative permits issued by ODOT as a "non-divisible load". That's two coils, each one weighing tens of thousands of pounds, perhaps not even made at the same place or time, being defined as a single unit, inseparable. It's not the meaning of "non-divisible" you're going to find in the dictionary. We certainly don't believe this was what the federal government had in mind when they created the state authority for a "non-divisible load" exception to the national

80,000 lb. weight limit. Referring to the proposed amendment language, I am puzzled that any number of steel slabs would be considered a "non-divisible" load, too.

The proponents of more freight moving on the public highways and bridges by overweight trucks have used a late amendment technique over the years because if these proposals had been fully considered in stand-alone legislation, they would have failed under the scrutiny of the public. Since 1998, the General Assembly has allowed grain, lumber, and coal to move at weights in excess of 80,000 lbs.. The issue came to the General Assembly because the Ohio State Highway Patrol was ticketing overweight farm trucks during the harvest season, and the operators complained. The solution was an overweight allowance, and that seems to have solved the problem for these commodities. But the coal trucks still want to carry more weight, as they stated to the Ohio Transportation Task Force. If you say yes to the proponents of the measure we are discussing today, what will you say to them? We think the General Assembly is stepping onto a slippery slope if they approve this expansion of highway user policies. You can expect more industries asking for further expansions of allowances and increases in the weights of commodities they may legally carry by truck. And no one knows how many overweight coal or grain or lumber trucks are operating around the state because these vehicles are not required to obtain a permit or have a route approved to operate with these allowances. But this isn't all that is unknown.

The slope is slippery because neither you nor ODOT knows the answers to many of the questions surrounding the operations and impacts of the vehicles that receive permits to operate at weights approaching sixty tons. The permits allow the users to make as many trips as they want during the life of the permit, be it one quarter or one year. No one, except the proponents, knows how many trips are actually being made by these trucks. No one, including the proponents, knows how much damage they are doing to the roads and bridges of this state. And no one knows how much they are driving up the costs of maintaining and rebuilding our highway transportation infrastructure. Shouldn't you know the answers to these questions before you make any changes to state policy?

Other states have in recent years tried to answer these questions. North Carolina did a study in 2005 and determined that the operations of heavy trucks were adding $130 million a year in maintenance and repair costs to the public highway system. Arizona did a study in 2006 that found that overweight trucks were adding between $12 million and $53 million to the costs of that state's highway maintenance needs. Indiana conducted a Highway Cost Allocation Study in 2002. The feds completed a similar study in 2000. Ohio, to my knowledge, has never conducted such a study. According to that US Department of Transportation study, for all the damage done to roads and bridges by commercial trucks operating at the federal weight limit of 80,000 lbs., these 92,000 lb. trucks do exponentially more. The damage is far greater when you increase the weight of the truck to 120,000 lbs.. If the facts are that these trucks are destroying our taxpayer-funded roadways and bridges at a much faster rate than anyone thought, driving up the

costs of construction and maintenance, then that would be information ODOT or the General Assembly could use in thinking through demands for expanded commercial trucking operations.

Before any further changes are made in commercial truck transportation policy, ODOT should conduct a study to answer the myriad questions surrounding the operations of overweight commercial trucks and the cost of these operations to the public. I ask you to think about the situation that exists today. The State of Ohio is issuing overweight permits, but we don't know how they are being used. Ohio is issuing permits, but we don't know the dollar amount of the damage these extra heavy trucks may be causing to our roads and bridges. How much subsidy should the public provide to the steel, trucking, and manufacturing interests? How much is it providing today, at that same time ODOT is warning that it's budget is being constrained by rising material costs? Without answers to these questions, you cannot make a fully informed decision. What are you basing your decision upon if you have no data?

For our part, we know that commercial trucks and heavy vehicles of all kinds are damaging grade crossing surfaces because we are finding them falling into disrepair faster than should be expected. Often, one doesn't have to look far to find a truck-served warehouse or distribution center nearby. And these surfaces, like the roads and bridges that make up the rest of our transportation system, are getting more and more expensive to maintain and rebuild. In St Paul, Minnesota, we saw what could happen when highway infrastructure is constantly pounded by heavy vehicles. The orange barrels signaling construction and repair season are a familiar sight to us in Ohio. Let's find out how our infrastructure is being affected by the heaviest commercial users instead of just throwing more public money at the problem of deteriorating roads and bridges.

There will be more trucks on our roads if this change is adopted. Because railroads now carrying steel coils are going to lose business. One shortline railroad that relies heavily on steel products' freight business estimates it will lose $1 million a year if you allow trucks to haul three instead of two steel coils at 120,000 lbs.. They are certain they will see some of their business move to trucks if this happens because the trucks will be able to offer lower prices. And they speak with credibility, because the individual also had experience managing a truck freight business that moves steel products. And with an entire new commodity, steel slabs, moving at these weights, you will have additional trucks operating. And 120,000 lb. trucks do far more damage than 80,000 lb. trucks.

Last year, more than 25,000 permits were issued by ODOT for steel coil trucks operating at weights up to 120,000 lbs.. That's more than the year before. That doesn't sound like there is a crisis in the freight or the steel marketplace to me. It sounds like a system in balance, one that is working for the steel companies, the trucking companies, the manufacturers, in fact, just about everyone except the taxpayers. Railroads moved about

20,000 rail-carloads of steel coils last year just within Ohio. That's under the current permit and statutory system. Railroads purchase special cars to carry steel coils. Coils don't fall off of or out of railcars. We can carry about 95 tons or so of coils in each car. That means we carried about 2 million tons of steel coils safely between points within Ohio last year. That equates to about 40,000 trucks. And if you don't change the dynamics of the marketplace, that freight may stay off of the highways.

Research supports the concerns of this and other shortline railroads that haul steel. A study done last year by MIT reported that shortline railroad business was far more susceptible to truck competition for bulk freight when the distance of the move was less than 300 miles. That distance would cover every Ohio shortline steel move in effect today. Some of these rail moves are between cities like Mansfield and Coshocton, places that aren't that many miles apart. Some are between two points that are even closer. We are not the fastest or most flexible option for moving coils, but we are the safest, the cleanest, and the most fuel-efficient. Trucks have more flexibility and can go more places. There are more of them, they use more fuel, and they are dirtier. And they operate over the roads and bridges paid for by the taxpayers, arguably without paying their fair share of the cost of building or maintaining those roads and bridges. Because trucks have these advantages, and are subsidized by the public, railroads must offer a lower price or much better service. We think we do both, and the existing permit system has generally been a good business relationship for all of the parties involved, as the numbers of both rail carloads and truckloads demonstrate. But the proposal before you today will change the marketplace. The marketplace for coils will shift even more toward the 120,000 lb. truckload. That will have an impact on rail revenues. And that means that there will be pressure on railroads to find the funds to maintain and expand our capacity. The public will pay the costs of these failures with more trucks hauling more freight over the highways because railroads won't have the funds to spend on building more capacity.

The pubic safety concerns of moving steel coils by truck are legitimate and serious questions. We've had a number of incidents around the state and in our neighbor states in recent weeks where the truck driver, for one reason or another, had to make a correction or take evasive action, and the coils went one way and the truck another. I've been reading up on these incidents, and I can tell you the pictures aren't pretty when a steel coil gets loose. Sometimes they smash through the cab of the truck like a battering ram. Sometimes they drop onto the roadway, crushing it. And sometimes, they fall onto cars and the occupants. That happened just a few days ago outside of Pittsburgh. The more coils you put on a truck means more coils falling off when something goes wrong. The problem of coils falling off of trucks has been such a problem in Alabama that the state House passed a bill imposing big fines on trucks that lose steel coils. A quick web search reveals that it isn't just happening in Alabama, or Pennsylvania, or Ohio. It happens everywhere trucks carry coils. And it will keep happening, because the physics of certain circumstances make it impossible for a coil to remain in place.

So now, less than seven years after we first publicly addressed the use of overweight trucks as a means to move steel coils, the steel companies and the trucking companies and the manufacturers are back seeking another change in the state policy. How much more weight or how many more coils will they ask for next time? How long will it be before they ask again? Will the state legislators then who sit where you are now sitting today have any better information to use to make a judgment whether this is a good idea for the state or not? Will they be able to ask ODOT how many trucks are using these permits, and how often? How much damage are these repeated trips over the same roads and bridges costing the taxpayer in extra maintenance and construction costs? How many coils have fallen off of trucks since 2008? And what are the highway safety issues?

The discussion between the proponents and ODOT includes far more changes to transportation policy than that which has appeared in the circulated amendment. ODOT has clearly tried to address the many demands of the proponents, but they really should gather more information before they engage in changes that will lead to more trucks, heavier trucks, bigger trucks, on our roadways. They need time to do this properly. The citizens of this state deserve answers to the questions that have been raised about these proposals. The way this issue is being handled legislatively is clearly your prerogative, but I believe a decision with this significance and history ought to enjoy a full legislative review rather than the process we have seen used in the past to accommodate the interests of the proponents. The decision to direct ODOT to study this issue and provide answers to the General Assembly would be in step with what is happening elsewhere around the country, and it would allow you to consider such proposals more knowledgeably.

Bipartisan Economic Stimulus Package

Governor Strickland, Senate President Bill Harris and House Speaker John Husted announced a $1.57 billion jobs stimulus package that aims to create new jobs while laying the foundation for future economic prosperity. With the exception of the Clean Ohio program, this bipartisan package will not need to go to the ballot in November, allowing the positive benefits to the state's economy to start almost immediately.

$920 million in infrastructure investment that will directly impact Ohio's local communities and give them the tools they need to compete for economic development.

$400 million in the Clean Ohio Fund.

- Conservation and revitalization are essential to Ohio's future and the Clean Ohio Fund is our state's nationally recognized model that invests in both. By adding $400 million to the Clean Ohio Fund, we will help meet the growing demand for brownfield redevelopment and farmland preservation, as well as support trails and green space projects. Brownfield funds for assessments, cleanup and demolition are critical for returning neglected property to productive uses in our towns and cities, while the farmland investments preserve the lands of Ohio and our future in agriculture. This initiative will need to be placed on the ballot for approval, which will be accomplished through a joint resolution voted by the house and senate.

$120 million in the Historic Preservation Tax Credit.

- This tax credit will revitalize historically significant buildings that expand the tax base of the local community. This will allow for the restoration of historic properties which are often the centerpiece of their community and are irreplaceable remnants of Ohio's storied history. Preserving their integrity will help keep vital a number of one-of-a-kind properties that allow us to preserve piece of our history as we continue to build for our future.

$400 million in the Public Works Commission.

- Funds will be distributed using the existing public works process and will allow Ohio to partner with our local communities to respond to the effects of the current economic downturn. This investment will allow Ohio to quickly infuse resources into local communities to meet the critical infrastructure needs throughout the state. Investing in roads, bridges and water systems will create jobs and spur business development.

$400 million to industry clusters to further strengthen Ohio's position as a leader.

$150 Million in Advanced Energy.

- Rising demand and costs for energy in combination with our state's manufacturing strength creates an opportunity for Ohio to take the lead in the fast-growing advanced energy industry. This investment will nurture and attract firms in energy production, delivery and storage, as well as their supply chains. This proposal will support economic development in areas such as solar manufacturing, advanced coal technologies, biofuels and energy conservation and efficiency. It will support Ohio companies as they expand and retool to make the component parts of advanced energy technologies ranging from clean coal to renewables like solar and wind. This investment will also support new companies building and commercializing technologies to produce cleaner, domestically secure energy.

$50 million in Bioproducts.

- This investment will develop and expand the state's bioproducts industry, making new products from the crops we grow. In the future, current petroleum-based products, like plastics, will be bio-based. With our research expertise in this field, as well as our strong agriculture industry, this investment will solidify Ohio as a national leader in bioproducts. Ohio is currently #1 in polymers with 2,800 companies and 140,000 employees in this field. With Ohio's natural strengths in the area, we cannot pass up this opportunity to create high value jobs and continue as the leader in the bio-products industry.

$100 million in Ohio's **Biomedical Industry**.

- Ohio is a leader in the ever-growing health care industry, and this investment will support the strong biomedical sector emerging in Ohio. This package will build on the successful investments the state has already made in the biomedical industry and will encourage innovation, development and commercialization of biomedical and biotechnological products. We will be saving lives by fueling Ohio's investment in new medical products.

$100 million in Ohio's **Logistics and Distribution Infrastructure**.

- This investment will help create a seamless multimodal transportation infrastructure across the state, linking rails, roads, waterways and airports. Improving the movement of freight allows our companies to introduce Ohio products to new markets and better support our existing manufacturing and retail sectors. Projects such as the completion of the Heartland Corridor will elevate Ohio as a key link in our nation's distribution chain. This infrastructure investment, combined with Ohio's strategic location, will spur economic development and further attract and create jobs in our state.

$250 million to retaining and attracting talent and building the most educated workforce possible in Ohio.

$250 million in Ohio's **Higher Education Workforce Initiative**

- This investment in our workforce aims to keep our college-educated Ohioans in the state by linking them with good internships, cooperative education programs and jobs while they earn their degrees. Matched with private sector investments, this, along with the Chancellor Fingerhut's 10 year strategic plan, will make Ohio a leader in higher education and will allow us to develop a world class workforce.

Bipartisan Economic Development Package

Investments:

$200 Million – Clean Ohio Conservation
$200 Million – Clean Ohio Revitalization
$120 Million – Historic Preservation Tax Credit
$ 400 Million – Ohio Public Works Commission
$150 Million – Advanced Energy
$50 Million – Bio-based Products
$100 Million – Biomedical
$100 Million – Logistics and Distribution
$250 Million – Workforce
Total: $1.57 Billion

Sources of Funding:

$370 Million in general revenue funds from future budgets
$384 Million in bonds backed by liquor profits
$230 Million from Ohio Tobacco Prevention Foundation funds
$200 Million from ODOT highway bonds (to be repaid by excess l revenue from the Ohio Turnpike)
$66 Million from coal development bonds
$120 Million in advanced public works funding
$200 Million in general obligation bonds
Total: $1.57 Billion

Updated 4/2/08

Ohio Department of Transportation

Internet News Release

April 14, 2008

ODOT invites all Ohioans to Join the "Transportation Conversation"

Industry experts, state leaders named to Ohio 21st Century Transportation Priorities Task Force

COLUMBUS (April 14, 2008) – Inviting all Ohioans to join in a first-of-its-kind "Transportation Conversation" to determine the type of transportation system the state needs for the future, the Ohio Department of Transportation (ODOT) officially launched the Ohio 21st Century Transportation Priorities Task Force by naming the diverse mix of industry experts and state leaders who will lead the historic endeavor.

"Unlike past statewide planning efforts, the Transportation Priorities Task Force will explore a broader spectrum of issues facing the state," said ODOT Director James Beasley. "We need to prioritize how the state balances the movement of people and freight, promotes safety and reduces congestion, creates jobs and encourages responsible growth, helps to build sustainable communities, and links all modes of transportation - connecting highways to rail, aviation, water ports, and transit."

The task force will also identify the fairest ways to finance Ohio's future transportation system, finding new funding tools for state and local governments, and innovative ways to partner with the private sector.

Leading the task force will be Chairman Ty Marsh, president of the Columbus Chamber, Vice-Chair Frank Jackson, mayor of Cleveland, and Vice-Chair Deborah Lieberman, commissioner for Montgomery County. The statewide conversations will be led by individual steering committees centered on three key issues: promoting a multi-modal system, maximizing public investment, and generating economic development.

Also serving on working committees will be experts from both private and governmental sectors, with backgrounds ranging from business and industry, shipping and logistics, finance and development, urban planning and agriculture, education and health care, transportation, and state and local government.

In addition to gathering public input and information at a series of open meetings across the state, the task force is encouraging all Ohioans to join the conversation by submitting their ideas and opinions online at TransportationForTomorrow.ohio.gov.

"The opportunity for a statewide dialogue of this scale is rare," added Assistant Director Jolene Molitoris, who expects a final report from the Task Force this Fall. "Through a consensus around these important issues, Ohio can have one voice on it transportation needs as we enter debate on the state's next biennium budget and the authorization of a new federal

transportation bill."

Last month, Director Beasley appointed Molitoris to Assistant Director, assigning her to lead several new transportation initiatives at the department, including work with the task force. The task force will also include input by state legislators, serving as ex officio members, and a multi-state agency support team.

The Ohio 21st Century Transportation Priorities Task Force will convene its inaugural meeting May 7 at ODOT's Central Office in Columbus. Details about the meeting, the complete list of task force members, and updates on meeting times and locations can also be found at **TransportationForTomorrow.ohio.gov**.

The Ohio 21st Century Transportation Priorities Task Force chairs and steering committee members are:

Chairman:
Ty Marsh, Columbus Chamber

Vice-Chairs:
Mayor Frank Jackson, city of Cleveland
County Commissioner Deborah Lieberman, Montgomery County

Promoting a Multi-modal System:
Art Arnold, Ohio Rail Road Association
Larry Davis, Ohio Trucking Association
Rose Ann DeLeon, Cleveland Port Authority
Don Mader, American Council of Engineering Companies of Ohio
Tony Reams, Toledo Metropolitan Area Council of Governments
Elaine Roberts, Columbus Regional Airport Authority
Patrick Sink, International Union of Operating Engineers

Generating Economic Development:
Jane Brautigam, city of Dublin
Mayor Dean DePiero, city of Parma
Joe Hamrock, American Electric Power of Ohio
Kenny Holland, Laborers' International Union
Ben Houser, private attorney in Brown County
Bill Lhota, Central Ohio Transit Authority
John Pepper, Walt Disney Companies
Albert Ratner, Forest City Enterprises
Kay Townsend, United Parcel Service

Maximizing Public Investment:
Robert Brown, Transportation Review Advisory Council
Treasurer Richard Cordray, State of Ohio

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Chester Jourdan, Mid Ohio Regional Planning Comm.
Dick Moreno, Ohio & Vicinity Regional Council of Carpenters
Ron Pizzuti, the Pizzuti Companies
Roxanne Qualls, Cincinnati City Councilmember
Chris Runyan, Ohio Contractors Association
Christine J. Vineis, Capital Partnerships

For more information contact
Scott Varner (Central Office Communications) at 614-644-8640

Additional information can also be found at http://TransportationForTomorrow.ohio.gov
Please note: the website does not contain the typical www prior to the address

ACCOMPLISHMENTS REPORT
PLANNING, PROJECT DEVELOPMENT, AND TRACK/FIELD INSPECTIONS
March 6 to April 30, 2008

PLANNER	DEVELOPMENT SPECIALISTS
Don Damron	**Lou Jannazo**
	Bev Lee

TRACK INSPECTION

- Very brief look at Jackson line rail and tie condition.

ADMINISTRATIVE

- Continued staffing new Commission sub-committee on the Panhandle lease
- Helped prepare agendas and briefing packets for May 8, 2008 meeting including 5 project briefings.
- Prepared power points for May meeting.
- Continued updating contract and contract amendment tracking system to keep better account of various EPA and Taxations clearances and the contracting process.
- Developed grant agreements for 11 projects approved at March meeting.
- Did grant agreement amendments to extend time for select projects and to reflect changes in scopes of work and termination dates.
- Did OEPA and Ohio Taxation background checks on various grant recipients.
- Don Damron has taken over as ORDC Webmaster and continues to update our site.

TRAINING

- Bev, Don, and Lou took required ODOT "Fraud & Ethics" training.
- Don attended two day training on web site development.

FREIGHT PROJECT DEVELOPMENT AND IMPLEMENTATION

New Project Development/Continued Project Development

- Investigated new & ongoing spur projects; developed commitment letters for Liberty BioFuels in South Charleston and Chatam Steel at South point; investigated potential spur projects such as Project Leonardo (a confidential project), Rotek in Aurora, Verhoff Steel and Welding in Ottowa, a steel warehouse operation in Mentor, Project Breeze (another confidential project) as well as other projects.
- Continued working on Warren Steel Holding project; coordinated with Trumbull County on ODOD offer of 629 funds; continued coordination with MVEDC, Trumbull County, & the W&TRR. Mill is up and running in Warren and using rail for outbound steel billets using a nearby transload!
- Continued working with W&LE, Carroll County, rail line shippers, and others on getting funding for the Carrollton Branch repair lined up. There have been problems with the County getting the $490,000 in Community Development Block Grant funds which ORDC staff (and everyone else) had expected to happen without much problem.
- Finalized investigation of Buckeye Industrial Mining transload on Columbiana County Port Authority property in Wellsville and put it on the May agenda.
- Led efforts for Phase I rehabilitation of City of Jackson line. Organized meetings among

City, US Rail (the contract operator), and the County Economic Development office. Investigated Ohio Basic Minerals plans for new silica traffic on the line with officials at the company headquarters in Denver.

- Continued working with Clermont County officials and NS concerning the future of the Cincinnati to Portsmouth "Peavine" line.
- Continued working with Akron Metro (owner of line), US Rail (current proposed operator of the line) and NS (interchange partner) on potential reactivation of the Cuyahoga Falls to Hudson line. A basic start up could be to serve one steel processor in Hudson via a connection to NS in Hudson.

PASSENGER PLANNING

Ohio Hub

- Continued working on refining the scope of work for the proposed Programmatic Environmental Impact Study (PEIS) for various corridors.
- Continued working on efforts to obtain federal earmarks for the PEIS. Don Damron and Stu Nicholson continue to provide information to various Congressional staffers.
- Continued work and coordination with other states and railroads on Ohio Hub Study.
- Continued with various meetings and presentations on Ohio Hub plan.

Amtrak 2C/3C Corridor Investigations

- Prepared background materials and organized conference calls with Amtrak on how Amtrak and ORDC will interact for Amtrak 2C/3C study.
- Extensive research into the potential requirements for public input and alternative analyses for start up Amtrak service.
- Developed an "in house" alternatives analysis work plan including common sense evaluations of various routes as well as basic public input. Staff plan considers the Cleveland – Galion – Columbus – Springfield – Dayton – Cincinnati route the "Preferred Route" based on past service, past studies, and the expert opinions of Amtrak in its past work in the 3C Corridor.
- Developed guide to station alternative investigation to help ORDC coordinate with various cities, MPO's, and transit agencies on station issues.
- Followed up with Mayor Coleman's staff on issues raised at previous meeting about potential 2C service.

Other Passenger Initiatives

- Continued coordination with the MWRRI study effort by participating in meetings and calls.
- Assisted in update of AASHTO Standing Committee on Rail Transportation Passenger Rail report.
- Continued investigating passenger station development issues.
- Continued supporting local efforts to develop passenger service, particularly in west Cleveland.
- Kept abreast of passenger issues in across Ohio and nationally through participation in the States for Passenger Rail.

Excursion Services:

- Helped to outline possible solutions to Polar Express/Dennison Depot desires to operate excursions on the Panhandle against wishes of C&OR.

OTHER PLANNING INITIATIVES

- Met with CSX on Gateway project. Coordinated with Gateway states (under the leadership of PennDOT) to "compare notes" on project.
- Began working on editing the next generation "Rail Freight Bottom Line Report" as part of ORDC participation in the AASHTO Standing Committee on Railroad Transportation.
- Meetings and calls with Lake Erie port people on possible new "short sea shipping" of containers to lake ports. Meeting with Canadian company planning new deep water port in Nova Scotia and looking at short sea options for Ohio lake ports.
- Lou has been invited to participate in Transportation Research Board working group on "institutional" issues for government agencies working with freight railroads on freight issues.

MISCELLANEOUS

- ***Liability Task Force:*** No activity.
- ***Glass Rock Branch:*** Began working with Zanesville & Western (formerly the Buckeye Central Scenic RR) on possible first steps for Z&W to establish excursion services on out of service Glass Rock branch between East Fultonham and Mt. Perry.
- ***Diesel Retrofit:*** Continued coordinating with ODOD, OEPA, and ODOT on a new $20 million "Diesel Emissions Reduction Grant – Diesel Retrofit" program being run by ODOD. Issues with FHWA rules apparently holding up grant announcements.
- ***Three Steel Coils Per Truck Issue:*** Continued participation in ODOT meetings.

SAFETY

- Wrote letter to editor objecting to Dispatch about large picture of man standing in the middle of a well traveled rail line which newspaper used as a promotion for an article about a local author. Letter not yet published.

WPDOCS/AccomplishmentsCommission

MEMORANDUM
April 30, 2008

TO: ORDC Commissioners
FROM: Megan McClory
SUBJECT: Finance Report

Accomplishments and Highlights of the Finance Section from March 6 to April 30, 2008:

1. **Financial Statements.** Staff has prepared statements to reflect current outstanding loans, revenue collection, and project balances.

2. **Buckingham Coal Company/Norfolk Southern Project.** The Appalachian Regional Commission approved ORDC's request to release the federal allocation of $495,000 to connect on-site Buckingham Coal Company infrastructure to Norfolk Southern in Perry County. The Washington and Ohio offices of the Federal Highway Administration have also taken action to make the funds available for the project. ORDC will be authorizing the companies to proceed with construction and will be overseeing the rail construction and installation of lights and gates at the crossing of SR 13.

3. **Marne Bridge.** Staff is working on an agreement with the Columbus & Ohio River Railroad (C&OR) to eliminate a bridge that crosses the Panhandle Line in Licking County and install a private at-grade crossing. The bridge in question is in poor condition and local emergency responders will not drive vehicles across it. The bridge provides the sole source of access to a single residence. Staff expects that ORDC will fund the construction costs, with the railroad providing safety measures, installing the crossing, and executing the project.

4. **Panhandle appraisal.** The Panhandle Line Advisory Committee directed staff to engage Continental Appraisal Company, the reviewer of the 2004 Panhandle appraisal, to update the appraisal of the entire asset – track, fixtures, and land. Staff reached agreement with Continental and we are seeking approval of the state Controlling Board on May 5. If that approval is granted, ORDC can enter into the agreement. An update will be provided to the Commission at the May 8 meeting.

5. **Fiscal years 2010-2011 budget process.** The Office of Budget and Management has issued instructions to agencies to prepare the 2010-2011 operating budget. The instructions direct us to submit a total general revenue fund request of no more than 95% of the 2009 appropriation for each year. The due date for budget requests is September 15, 2008.

6. **Loan fund appropriation increase.** Staff has submitted a request to the Controlling Board for its May 19 meeting to increase the spending authority in the loan fund for the City of Jackson loan that is on the May 8 Commission agenda.

OHIO RAIL DEVELOPMENT COMMISSION: April 2008 Finance Report

GRF APPROPRIATION AVAILABLE FOR PROJECTS AND PERSONAL SERVICE CONTRACTS

GRF APPROPRIATION FOR PROJECTS		**2,787,243**
LESS: PROJECTS ENCUMBERED or DISBURSED		
TMACOG - Freight Conference	**5,000**	
WLE Carrolton Branch Tunnel Clearance	**150,000**	
Trotwood - Auto Logistics Project	**200,000**	
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED		
Case Farms Lead Track Rehab	**200,000**	
Carrollton Branch Rehabilitation	**250,000**	
Akron Metro RTA (Canton Line bridges)	**200,000**	
Camp Chase Phase II Rehab	**150,000**	
Cleveland Commercial Railroad/Track Improvements	**100,000**	
RJ Corman Cleveland Line Rehab	**112,500**	
Indiana Northeastern Crossing Upgrades	**75,000**	
Maumee & Western Defiance Yard & MP 42 to MP 43	**150,000**	
Ohi-Rail Grade Crossing Vegetation & Sight Distance Imp	**75,000**	
Westco Sugar Creek Bridge #2	**250,000**	
Youngstown & Southeastern RR/3 Crossings	**67,000**	
TOTAL	*1,984,500*	*-1,984,500*
LESS: PROPOSED GRF COMMITMENTS FOR FY 2008		
Appleton Papers Spur	**50,000**	
Buckeye Industrial Mining Transload	**200,000**	
City of Jackson/US Rail Rehabilitation	**325,000**	
Hydrodec Trackmobile	**75,000**	
Lancaster Port Authority	**90,000**	
TOTAL	*740,000*	*-740,000*
BALANCE OF GRF APPROPRIATION FOR PROJECTS		***62,743***
GRF APPROPRIATION FOR PERSONAL SERVICE CONTRACTS		**49,796**
Highway-Railroad Safety Consulting, LLC	15,000	
Capital Partnerships, LLC	13,905	
FY 2008 Budget Reduction	4,635	
Continental Appraisal Company	64,275	
TOTAL	*97,815*	*-97,815*
BALANCE OF GRF APPROPRIATION - PERSONAL SERVICE CONTRACTS		***-48,019***

OHIO RAIL DEVELOPMENT COMMISSION: April 2008 Finance Report

(page 2)

RAIL FUND 4N40 - REVOLVING LOAN FUND	Uses of funds	Spending Authority	Cash
Cash Balance as of 4/30/08			**5,515,957**
LESS: OPEN ENCUMBRANCES	2,053,000		
LESS: PANHANDLE RESERVE FUND	762,500		
TOTAL	*2,815,500*		*-2,815,500*
FISCAL YEAR 2008 APPROPRIATION		**2,111,500**	
LESS: PROJECTS ENCUMBERED or DISBURSED			
GOE Lima, LLC	**1,000,000**		
LESS: PAYROLL FROM LOAN AND LICENSE FEES (Budgeted)	174,424		
LESS: PROJECTS APPROVED BUT NOT ENCUMBERED			
MGQ Unit Train Siding	**300,000**		
WESTCO Sugar Creek Bridge #2	**400,000**		
LESS: PROPOSED COMMITMENTS FOR FY 2008			
City of Jackson	**300,000**		
TOTAL	*2,174,424*	*-2,174,424*	*-1,174,424*
APPROPRIATION BALANCE OF FUND 4N40 AVAILABLE FOR PROJECTS		**-62,924**	
CASH BALANCE OF FUND 4N40 AVAILABLE*			***1,526,033***

**Funding projects beyond the appropriation balance would require Controlling Board approval.*

FY 2008 Project Balance Summary

Remaining GRF Appropriation for Projects	**62,743**
Remaining GRF Appropriation for Personal Service Contracts	**-48,019**
Remaining 4N40 Appropriation for Projects	**-62,924**
Balance of ORDC Appropriations for Projects	**-48,200**

PROJECT BRIEFING
BUCKEYE INDUSTRIAL MINING COAL FACILITY
April 29, 2008

Project Funding		Project Benefits
* ORDC Grant for Equipment	$200,000	* Up to 115 Jobs at Blending/Transload Facility
* Buckeye Total Investment	$15,506,828	* Up to 40 New Coal Mining Jobs
		* Up to 35,000 Carloads Handled Annually

INTRODUCTION: Buckeye Industrial Mining Company (Buckeye) requests a grant of $200,000 to help it purchase rail loading/unloading conveyors/equipment for a new bulk transload/coal blending facility, the "Buckeye Bulk Transfer Yard," in Wellsville.

BACKGROUND:

Brief History of Wellsville Site: ORDC staff has been coordinating off and on with the Columbiana County Port Authority (CCPA) and Buckeye for several years on a new bulk transloading/coal blending facility in Wellsville. Buckeye entered into a 50 year lease with CCPA for an 18 acre site along the Ohio River about two years ago and was able to begin construction of its new facility earlier this year. The Buckeye site is within the CCPA owned Intermodal Industrial Park which has a total of 70 acres along the riverfront. The industrial park and the new Buckeye facility is served by Norfolk Southern (NS) off of its mainline that runs along the Ohio River from Rochester, Pennsylvania to Yellow Creek, Ohio (Jefferson County), to Alliance. Wellsville is about 25 miles from NS' major classification yard at Conway (near Pittsburgh). The industrial park has good road access with an interchange off SR 7 which is a four lane, divided highway in the Wellsville area. A map showing the location of the new facility is included as Exhibit "A".

In 2002, ORDC granted CCPA $717,000 of the total $937,000 needed to help it move one of the two NS tracks through CCPA's industrial park. The NS tracks had been about 80 ft. apart for a distance of 2,300 ft. Moving one track to parallel the other only 14 ft. away created 4 acres of valuable industrial park area. These 4 acres will probably not be needed for coal transloading but would be needed if and when Buckeye expands to handle other materials such as limestone used in electric utility scrubbers.

Significant railroad work was required off site to get Buckeye in position to handle unit trains of coal. In 2007, Buckeye expended $2.3 million so that NS could reconfigure its NS trackage and signals in the area to handle the new Buckeye unit train coal business.

Buckeye Coal Blending Business: Buckeye is owned by an energy development company called Evergreen Energy. Evergreen developed a system based on heat and pressure to eliminate most of the heavy metals like mercury from Powder Rive Basin coal while increasing the BTU value of the coal. Evergreen Energy produces this so called "K Fuel" in Wyoming.

Buckeye coal mines in Ohio are in Jefferson, Harrison, Stark and Carroll Counties and are surface and deep mine operations. Buckeye plans to build a second plant in Bergholz to augment its current Jefferson County operations. It has a large wash plant located in Kensington along the NS Yellow Creek to Alliance mainline. Buckeye mines and sells about 1 million tons of coal a year. Buckeye coal is generally mid sulfur, 1% or 2%. With relatively clean coal, and a wash plant, Buckeye serves niche markets for small utilities and businesses which burn significant amounts of coal, but not enough to warrant investment in expensive scrubbing technology.

Here is an example of how the marriage of K-Fuel from Evergreen Energy in Wyoming, and Buckeye's already low sulfur coal will enable Buckeye to expand its coal production. At Wellsville, Buckeye will blend K-Fuel (about 25% to 50% of the blend) with local coal produced by Buckeye to make a very low sulfur, clean coal blend with high BTU content. Buckeye would more than double its local Ohio coal output to be able to meet the market demand for the blended coal. The target market will still be utilities, power plants, and businesses which burn significant amounts of coal but cannot afford the scrubbers needed to burn "dirty" coal. Evergreen/Buckeye will be able to charge a premium for providing this low mercury, high quality, clean coal. This same formulation applies to Ohio coal in general, not just Buckeye coal. Blending K-Fuel with Ohio and eastern coal helps qualify the Ohio and eastern coal in the market place based on sulfur and mercury content requirements.

Buckeye Bulk Transfer Yard Coal Blending/Transloading Facility: Buckeye's new Wellsville coal facility is being built to initially handle rail and truck transportation. Buckeye has plans to in the future upgrade the barge infrastructure at existing cells at the site to be able to handle barges thereby expanding its potential market reach for coal and for other products. Buckeye will truck coal to the facility from its Ohio mines which lack direct rail service. Evergreen Energy K-Fuel will be shipped to Wellsville on unit trains. The blended Ohio coal and K-Fuel will be primarily be railed to customers. The inbound and outbound traffic at the Buckeye Bulk Transfer Yard could be as high as 35,000 carloads a year for this Buckeye/Evergreen traffic.

PROJECT DESCRIPTION: The total project now underway will cost over $15 million. Included below is a breakdown of major components of the project:

Wellsville Intermodal – Buckeye Bulk Transfer Yard

Initial Site Preparation	**$700,000**
Rail Construction, 15,289 Ft. New Track	**$1,754,487**
Conveyor Loading/Unloading	**$9,473,341**
Barge & Rail Loading/Unloading Systems (1,200 tons per hour)	**$3,779,000**
TOTAL	**$15,706,828**

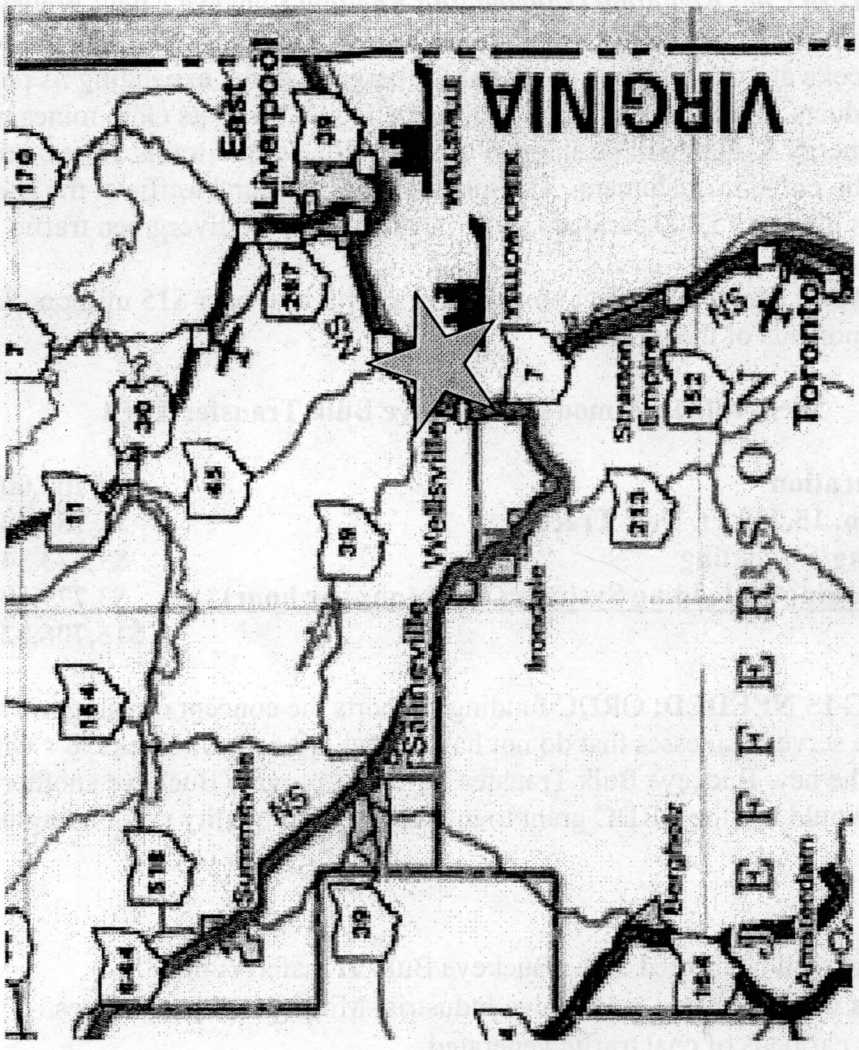
WHY ORDC FUNDING IS NEEDED: ORDC funding supports the concept of using intermodal transportation facilities to serve businesses that do not have direct rail access. Buckeye's Ohio mines are not directly served by rail. The new Buckeye Bulk Transfer Yard will provide Buckeye another means to get its coal onto rail. Buckeye would use the ORDC grant to purchase higher quality rail loading/unloading equipment.

PROJECT BENEFITS

- Up to 115 new jobs will be created at the Buckeye Bulk Transfer Yard.
- Up to 40 new jobs will be created at Buckeye Industrial Mining Company mines.
- Up to 35,000 new carloads of coal traffic generated.
- Ohio coal consuming industries can comply with air quality standards and thereby preserve Ohio business and jobs.

OTHER CONTRIBUTIONS: Buckeye will provide all other needed funds.

STAFF RECOMMENDATION: Staff recommends that the Commission provide a $200,000 grant for purchase of rail loading/unloading equipment based on Buckeye paying back a proportional amount of the ORDC grant if it does not generate 100 new jobs at its transload facility and its mines, and 10,000 carloads of new rail traffic, within three years of the completion of the Buckeye Bulk Transfer Yard.


VIRGINIA
East Liverpool
WELLSVILLE
YELLOW CREEK
Wellsville
Irondale
Stratton Empire
Toronto
Salineville
Summitville
Bergholz
Amsterdam
JEFFERSON
OH
7
39
30
45
11
154
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644
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287

RESOLUTION 08-07

RE: BUCKEYE INDUSTRIAL MINING COMPANY ON SITE RAIL IMPROVEMENT GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO BUCKEYE INDUSTRIAL MINING COMPANY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to Buckeye Industrial Mining Company (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	____	no	____	absent	____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	____	no	____	absent	____	abstained	____ recused
Barbara Hammontree Bennett, P.E.	____	yes	____	no	____	absent	____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	____	no	____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	____	no	____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	____	no	____	absent	____	abstained	____ recused
Larry Sowers	____	yes	____	no	____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	____	no	____	absent	____	abstained	____ recused
Daniel Roberts	____	yes	____	no	____	absent	____	abstained	____ recused
James Hartung	____	yes	____	no	____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/8/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/8/2008
Jolene M. Molitoris, Chairwoman Date

EXHIBIT A

A grant in an amount of up to Two Hundred Thousand Dollars ($200,000) (the "ORDC Grant") for the purpose of purchasing rail loading/unloading conveyors/equipment for a new bulk transload/coal blending facility, the "Buckeye Bulk Transfer Yard" (the "Rail Service Project") as defined herein pursuant to Section 4981.032 of the Ohio Revised Code at the Company's location in the City of Wellsville, Columbiana County, Ohio.

The ORDC Grant is subject to the following conditions:

1. The Company must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending ORDC funds.
2. The Company shall create 100 jobs and generate 10,000 rail cars per year within 3 years of the Rail Service Project's completion.

PROJECT BRIEFING
CITY OF JACKSON/US RAIL LINE REHABILITATION
April 29, 2008

Project Costs		Project Benefits
* ORDC Grant UpTo	$350,000	* Improves Safety
* ORDC Loan	$300,000	* Facilitates New Traffic

INTRODUCTION: The City of Jackson, owner of the Chillicothe – Hamden – Jackson – Oak Hill rail line in Ross, Vinton, and Jackson Counties, in cooperation with US Rail Corporation, the City's short line operator, requests a grant of up to $350,000 and a loan of $300,000 for the rehabilitation of the Jackson line from Jackson to RA Junction (near Chillicothe). Rail work includes a portion of the 8,500 ties and 13,000 tons of ballast (for lining and surfacing track) and related work that is needed for two phases of rehabilitation work. The loan would be repaid by the City based on the number of carloads generated along the line in any given year. Staff requests that Commissioners empower the Executive Director to determine the final terms of the loan.

BACKGROUND

Brief Recent History: The City of Jackson acquired the approximately 60 miles of the "Jackson Line" in two transactions in 1987 and 1990. (The 1990 acquisition included only the segment from Hamden to Austin Powder.) The Jackson Line includes: 1) the portion of the former CSX "B&O" Washington to St. Louis mainline from near Zaleski (Austin Powder Company) at MP 136.8 to West Junction at MP 112.4; 2) the portion of the former CSX "B&O" West Junction to Dayton branch between West Junction MP 95.5 and Richmondale, MP 91.6; and 3) the portion of the former CSX "B&O" branch from Hamden to Portsmouth between Hamden, MP 0.0 and Firebrick just south of Oak Hill at MP 32. A map of the Jackson Line is included as Exhibit "A". A schematic is included as Exhibit "B".

The Indiana & Ohio Railroad (I&O) operated the Jackson Line from 1987 until 1994 when it sold out its interest in the operating rights to the Great Miami & Scioto Railway. In October, 2004, the Great Miami sold its interest in the operations of the Jackson Line to US Rail Corporation. US Rail currently operates the line under a lease agreement with the City of Jackson. This railroad operating lease will run until 2014. US Rail pays a lease cost to the City equivalent to 11% of gross revenues. The City is committed to investing all lease payments in the rail line.

State Investments in the Jackson Line: Between 1986 and 1997, the state (ORDC and ODOT Division of Rail) invested about $3 million in the Jackson Line for the acquisition and various rehabilitation grants including funding to rebuild a B&O branch and portion of a former DT&I line from the center of town out to AluChem, and to build a rail spur to the Refco plant in Jackson. State funds included grants obtained from the Federal Railroad Administration for the acquisition. The State of Ohio retains a 70% contingent interest in the Jackson Line because of this FRA acquisition funding. (If for some reason the line were to be scrapped, the State would be entitled to 70% of the proceeds.) Local shippers and the operating railroad at that time, the I&O, matched State and Federal funds with an investment of about $1.5 million in the acquisition and upgrading of the line.

In 1997, ORDC provided $250,000 in grant funds to match about $1 million in Federal and Ohio Emergency Management Administration funding to repair damage caused by catastrophic flooding. ORDC fronted $1 million of the emergency work and was repaid by OEMA and FEMA.

In 2000, ORDC provided the City of Jackson a $235,250 grant and $160,250 loan to help the City build a 3,000 ft. rail spur into the new American Warehousing cold storage facility.

In 2002, ORDC provided the Great Miami a $126,500 grant and $126,500 loan for repairs of select portions of the Jackson Line. ORDC followed in 2003 with a $45,200 grant to repair wooden trestles.

Through a 2005 grant to US Rail, ORDC provided approximately $40,000 to help with ditching on the line. ORDC also provided US Rail $45,520 in 2005 to help it rehabilitate its Meadow Run Yard for car storage business.

Current US Rail Operations: The only connection for Jackson Line traffic since the City bought the line is with CSX at Vauces Yard near Chillicothe. The east west portion of the line has heavy rail, some of it continuously welded, because it was formerly part of the CSX mainline system. The branch from Wellston to Jackson to Oak Hill/Firebrick, has light rail and presents more operational issues. The 4 mile long branchline out to Aluchem also has light rail.

Revenues and car volumes have been decreasing on the line. In 2004, approximately 1,200 cars were moved while in 2007 this number dropped to about 800. The line recently lost a major auto parts shipper, Meridian Auto Part, and lost a lucrative inbound flour move from another shipper, Pillsbury. Current rail line users include Nock & Sons (refractory materials), Cedar Heights Clay (clay), American Warehousing/Bellisio (cold storage), Jackson Corp. (plastics), Midland Corp. (grain, agricultural products), AluChem (bauxite), Austin Powder (chemicals), JVC Steel (scrap), and Bessie Lumber Products (lumber). Bessie and Austin Powder are currently the biggest rail users. In addition, US Rail stores tank cars at Meadow Run Yard.

There is an industrial park with approximately 200 acres of shovel ready, industrially zoned land along the Jackson line in Jackson as well as 250 acres of industrial land which needs further development between Jackson and Oak Hill. Further, the recently vacated Meridian building, a 265,000 sq. ft. facility built in 1966 is available for redevelopment.

With revenues down, US Rail has invested significantly more per mile in maintenance than it has garnered in revenues per mile.

New Silica Traffic: A new investment partner for a sand quarry along the AluChem spur track near Jackson has presented an opportunity for significant new rail business on the Jackson Line. Ohio Basic Minerals is in the process of designing a $500,000 rail spur so that it can ship silica out by rail. This is part of a potential $6 million expansion which could result in 30 new jobs or more. US Rail projects that Ohio Basic Minerals will be able to generate about 1,000 to 3,000 carloads of traffic annually in the very near future. While the revenues from the silica traffic will be very welcome, handling thousands of heavy hopper cars of silica presents a maintenance issue. Jackson Line track needs to be upgraded to be able to handle the traffic.

Significant Investment Needed to Keep Jackson Line Viable: US Rail states that the Jackson Line needs between 3,000 and 4,000 ties at various points along the line to maintain safe operations. With expected silica traffic, US Rail projects the need for at least 8,500 new ties and other work to keep the line operating effectively. US Rail has proposed a two phase track upgrade plan that would include 8,500 ties, 13,000 tons of ballast, joint tightening, raise, line, and tamping, and related work.

ORDC has been working with US Rail and its predecessors for many years. ORDC Staff has encouraged the operators to develop long term and short term rehabilitation plans. US Rail has developed its long range rehabilitation plans. For track work, long range needs include 15,000 ties, new rail at select locations to replace worn, light rail, more ballast and related work. The current estimate of the cost of this long range work is $3.8 million. Further, there are two tunnels and several bridges along the line that will need some significant work within a few years. US Rail is developing new business on the line (sand, coal, food products) that would

provide a stream of revenue that could be sufficient to obtain a 25 year Federal Railroad Administration Railroad Rehabilitation and Improvement Financing "RRIF" loan.

PROJECT DESCRIPTION: Ultimately, the Jackson Line needs a series of track upgrade projects to handle the expected new traffic. US Rail has a multi-phase plan for line upgrades. The first phase includes the installation of 6,000 ties, along with 8,000 tons of ballast for surfacing and lining and related work. Total costs of this Phase I work will be approximately $664,017. A complete listing of project work is included as Exhibit "C".

US Rail and the City of Jackson will need to follow up this Exhibit C work with another phase of work very soon after new silica traffic commences. A listing of "Phase II" rehabilitation needs is included herein as Exhibit "D". This work is concentrated on the AluChem branchline. Total Phase II costs are $410,686. The total short term work needed on the Jackson Line is the combination of the work laid out in Exhibits C and D with a total cost of $1,074,703.

The up to $350,000 ORDC grant would zero out FY 2008 General Revenue Fund project monies. The final grant amount is contingent upon the amount of funds available. Staff expects about $325,000 to be available for the Jackson project but the total could be lower.

Staff proposes that the $300,000 loan to the City of Jackson be paid back based on the carloading along the line the previous year. Staff has developed a plan for repayment. Under this plan, if carloadings stayed constant at 2007 levels, it would take Jackson 6 years to pay off the ORDC loan. If carloadings increase as Staff and US Rail expect, the loan payback would be much quicker. Staff proposed to the City a 0% interest rate in year one, with an interest rate of 2% in subsequent years.

The City of Jackson would bid out the work to be performed with ORDC grant and loan funds. US Rail would be responsible for ongoing maintenance of the project through its lease agreement with the City.

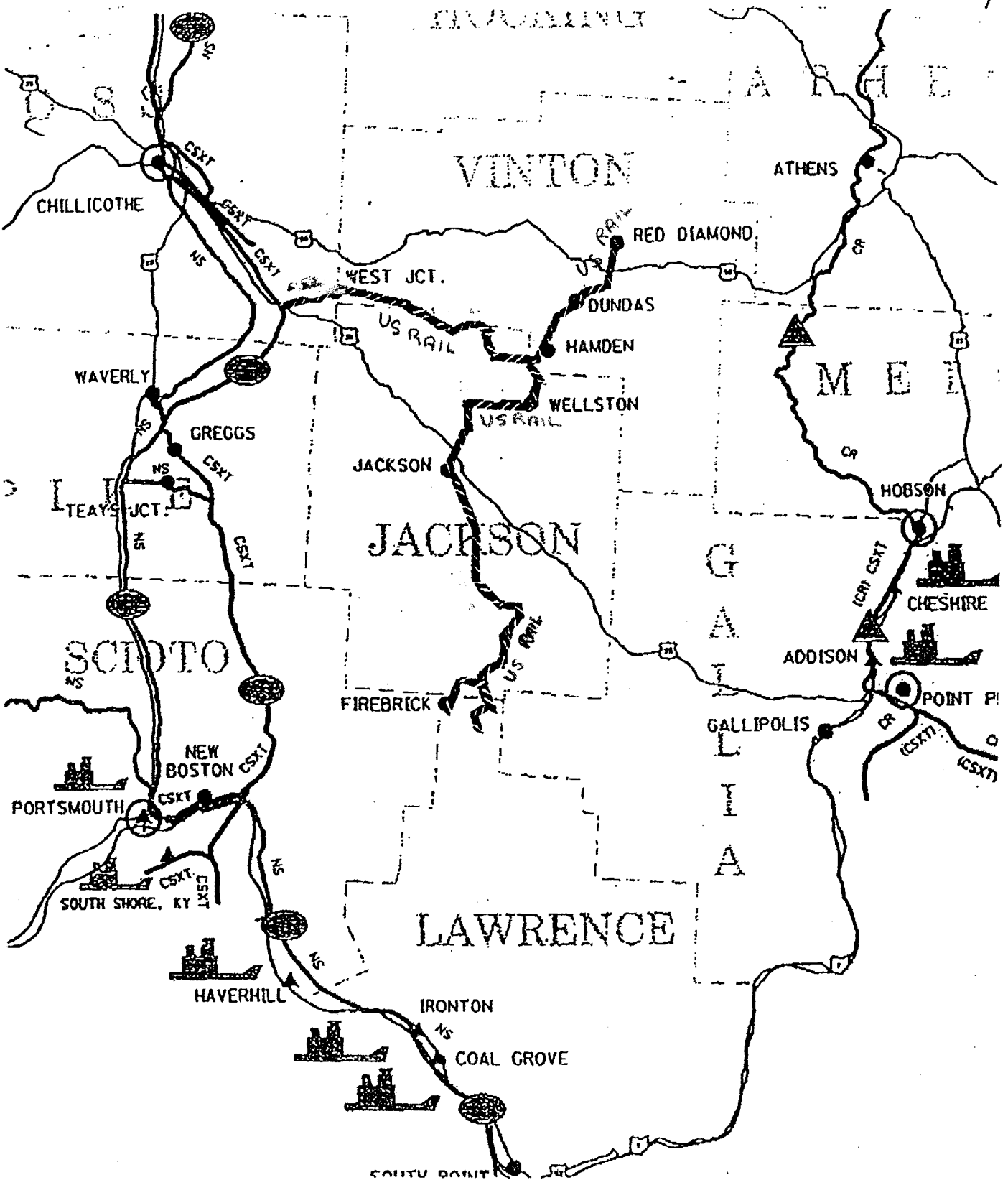
WHY ORDC FUNDING IS NEEDED: Without ORDC assistance, the project will not get done.

PROJECT BENEFITS

- The viability and safety of the US Rail operations on the Jackson Line will be significantly improved.
- Project track work will make the Jackson Line more attractive for other rail users and new development.
- If Ohio Basic Mineral (OBM) plans come to fruition as expected, OBM will create from 30 to 45 new jobs and US Rail will create about 7 new jobs to handle the silica traffic. In addition, OBM will likely generate over 1,000 carloads.

STAFF RECOMMENDATIONS/SPECIAL CONTINGENCIES: Staff recommends proceeding with up to $350,000 in grant funding and a loan of $300,000. The final grant amount would be contingent upon the total available General Revenue Fund project monies. Staff requests that Commissioners empower the Executive Director to make the final determination as to the terms and conditions of the loan. Staff has developed a pay back structure based on annual carloadings. The scope of the project will include work included herein in Exhibits C and D.

"A"

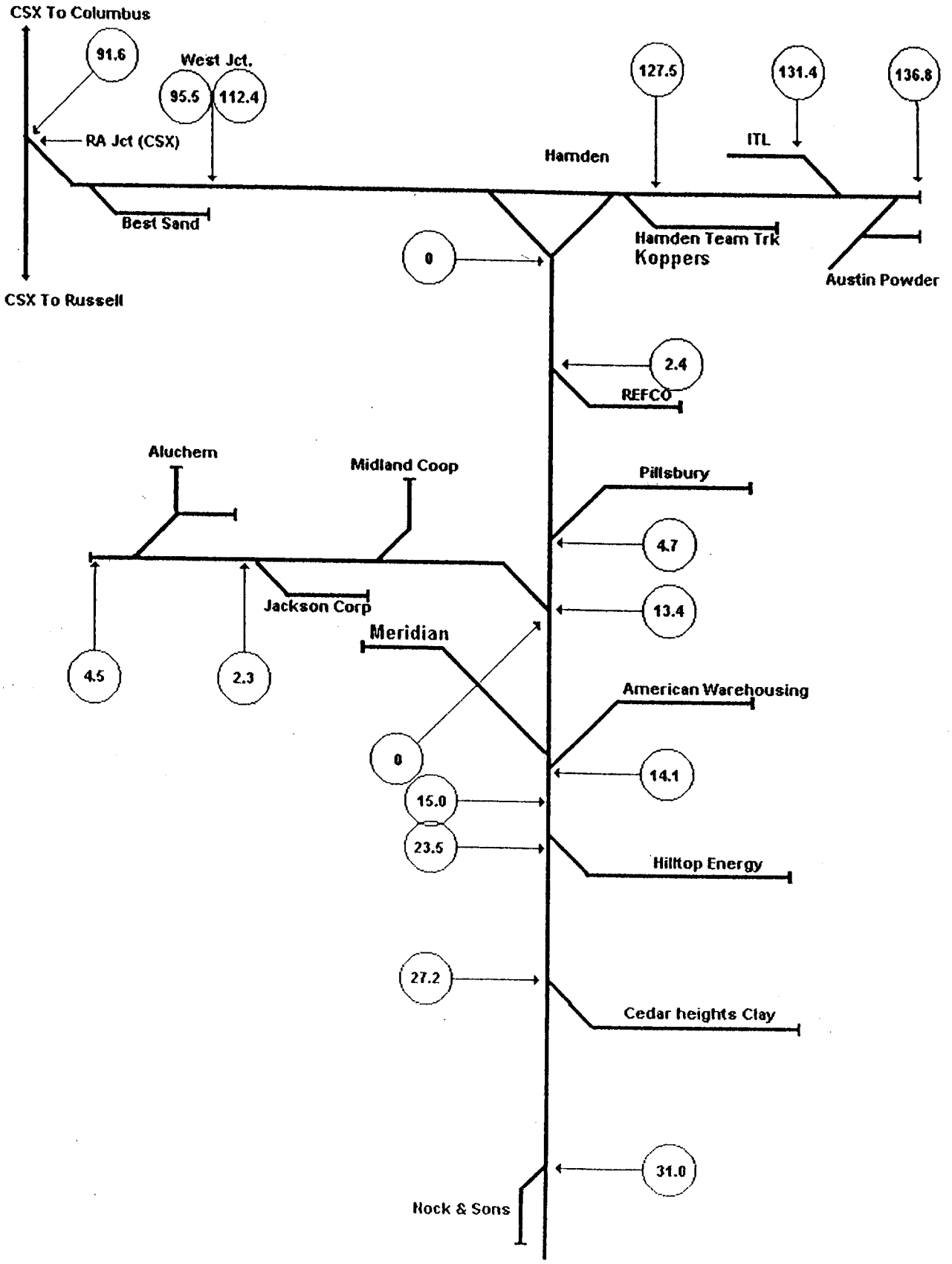


— City of Jackson Owned Rail Line/ US RAIL

60

"B"

Customer Locater Map



d

"C"

Construction
Project Nr.08-112

U S RAIL CORPORATION
7846 Central Ave 43617
419.720.7588

Date04/05/08
Cost Estimate

	Phase I - RA Junction to MP 36								
						Labor	Cost		
		Units							Line
	Item	of Msre	Qty	Unit	Total	Hours	Rate	Total	Total
1	Asphalt	Tons							
2	Balllast #4	Tons	8,000	12.00	96,000	640	112	71,680	167,680
3	Bolts & Nuts	kegs	20	229.00	4,580				4,580
5	Buildings	see #2							
6	Comp/Software								
7	Const Fence								
8	Concrete/Load pad								
9	Concrete/roadways								
10	Dump Fees								
11	Engineering								
12	EPA Demo Pmt								
13	Equip Rental								
14	Equip Repair								
15	Equipment/Reg	see #2	1	7,500.00					7,500
16	Erosion Ctrl								
17	Fencing	ft							
18	Fill Dirt	Tons							
19	Fuel for Equip	Gal	3,500	3.75	13,125				13,125
20	Grading								
21	Insurance								
22	Joint Bars	Pr.	500	175.00	87,500				87,500
23	Legal/STB								
24	Legal/Property								
25	Lighting	Est							
26	Lime Stone	Tons							
27	Lodging								
28	Mobilization								
29	New Ties		6,000	42.00	252,000	520	112	58,240	310,240
30	New Ties SW								
31	Other Fees								
32	Per deum								
33	Project Mgr	Hrs							
34	Property Purchase								
35	Rail 132lb	Tons							
36	Relay Ties								
37	Remove Svc								
38	Sec Cameras								
39	Site Work								
40	Spikes	Kegs	202	158.08	31,932				31,932
41	Supervisor					640	49	31,360	31,360
42	Survey								
43	Switch								
44	Switch Mach								
45	Spiker-2 man		1	2,600					2,600
46	Tie Inserter		1	7500					7,500
47	Thermite Weld								
48	Tie Plates								
49	Trucking	Loads							
50	Utility connect fee								
51	Sub Total								
52	10% overhead								
53	Grand total								664,017

"D"

Construction
Project Nr.08-112

U S RAIL CORPORATION
7846 Central Ave 43617
419.720.7588

Date04/05/08
Cost Estimate

	Phase I I Aluchem Branch MP- 00 - MP 4.0								
						Labor	Cost		
	Item	Units of Msre	Qty	Unit	Total	Hours	Rate	Total	Line Total
1	Asphalt	Tons							
2	Balllast #4	Tons	5,000	12.00	60,000	500	112	56,000	116,000
3	Bolts & Nuts	kegs	8	229.00	1,832				1,832
5	Buildings	see #2							
6	Comp/Software								
7	Const Fence								
8	Concrete/Load pad								
9	Concrete/roadways								
10	Dump Fees								
11	Engineering								
12	EPA Demo Pmt								
13	Equip Rental								
14	Equip Repair								
15	Equipment/Reg	see #2	1	7,500.00	7,500				7,500
16	Erosion Ctrl								
17	Fencing	ft							
18	Fill Dirt	Tons							
19	Fuel for Equip	Gal	2,100	3.75	7,875				7,875
20	Grading								
21	Insurance								
22	Joint Bars	Pr.	200	175.00	35,000				35,000
23	Legal/STB								
24	Legal/Property								
25	Lighting	Est							
26	Lime Stone	Tons							
27	Lodging								
28	Mobilization								
29	New Ties		2,500	42.00	105,000	800	112	89,600	194,600
30	New Ties SW								
31	Other Fees								
32	Per deum								
33	Project Mgr	Hrs							
34	Property Purchase								
35	Rail 132lb	Tons							
36	Relay Ties								
37	Remove Svc								
38	Sec Cameras								
39	Site Work								
40	Spikes	Kegs	84	158.08	13,279				13,279
41	Supervisor					500	49	24,500	24,500
42	Survey								
43	Switch								
44	Switch Mach								
45	Spiker-2 man		1	2,600					2,600
46	Tie Inserter		1	7500					7,500
47	Thermite Weld								
48	Tie Plates								
49	Trucking	Loads							
50	Utility connect fee								
51	Sub Total								
52	10% overhead								
53	Grand total								410,686

RESOLUTION 08-08

RE: CITY OF JACKSON RAIL LINE REHABILITATION PROJECT LOAN & GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO THE CITY OF JACKSON UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration the provision of assistance under the Act to the City of Jackson (the "City"); and

WHEREAS, the ORDC staff has submitted to this ORDC a Request for Assistance submitted by the City; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the proposed assistance will conform to the requirements of the Act and the terms of the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the City, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the assistance proposed to be provided under the Act to assist the City with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed assistance to the City, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Moved By _____
Seconded By_____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	_____	no	_____	absent	_____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Barbara Hammontree Bennett, P.E.	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	_____	abstained	____ recused
Daniel Roberts	____	yes	_____	no	_____	absent	_____	abstained	____ recused
James Hartung	____	yes	_____	no	_____	absent	_____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/8/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/8/2008
Jolene M. Molitoris, Chairwoman Date

EXHIBIT A

A grant to the City pursuant to Section 4981.032 of the Ohio Revised Code in the amount up to Three Hundred Fifty Thousand Dollars ($350,000) (the "ORDC Grant") and a loan in an amount of up to Three Hundred Thousand Dollars ($300,000) (the "ORDC Loan") to construct the Rail Service Project as defined herein. The ORDC Grant and ORDC Loan shall be used to installation of 6,000 ties, along with 8,000 tons of ballast for surfacing and lining and related work on the City owned rail line. The terms of the ORDC Loan shall be determined by the Executive Director of ORDC.

The ORDC Grant and Loan are subject to the following condition:

1. The City must meet all standard ORDC program requirements, including any applicable prevailing wage provisions, in expending the ORDC Grant and ORDC Loan.

2 The City shall execute and obtain such documents as are deemed necessary by the ORDC to evidence, close and secure the ORDC Loan.

ADDENDUM TO PROJECT BRIEFING
CARROLLTON RAIL LINE REHABILITATION

May 1, 2008

INTRODUCTION

At the March 13, 2008 ORDC Commission Meeting, ORDC Staff presented Commissioners a Project Briefing and Resolution 08–03 for the project to rehabilitate the Wheeling & Lake Erie Railway (W&LE) Canton to Carrollton branchline. The resolution herein, i.e. Resolution 08–09, modifies the 08–03 Resolution for the Carrollton Project passed in March.

BACKGROUND

Resolution 08–03 included a project that would cost approximately $990,000 to complete. Of this $990,000, $490,000 was to come from State Community Development Block Grant (CDBG) funds, or other funds obtained by Carroll County. At the time, ORDC Staff and Carroll County were counting on a Carrollton company to commit to expansion and job creation so that the County would be eligible for the $490,000 in State CDBG funding. Unfortunately, this company was not able to provide the needed commitment. The company in question makes conduit used in the housing industry. The recent collapse of the housing market due to sub-prime mortgage issues has hurt its business significantly, so much so that it has put on hold any expansion plans. Without the commitment to expansion and new job creation, Carroll County cannot obtain CDBG funding.

Carroll County is pursuing other avenues to obtain CDBG funding for the Carrollton line rehabilitation project. There is still a reasonable chance that the County will be able to raise $490,000 in CDBG or other funds so that the total Carrollton rehabilitation project can include $990,000 worth of work. However, there is a reasonable chance that the total Carrollton Line project will be reduced to only $500,000, i.e. the $250,000 grant from ORDC to W&LE matched by a W&LE investment of $250,000 in labor and equipment. W&LE has agreed that it would proceed with a $500,000 project this autumn if the County cannot procure CDBG or other funding. However, both ORDC Staff and W&LE officials agree that it is prudent to wait until all County efforts to raise more funds are exhausted before settling for a smaller project. Resolution 08 – 09 provides ORDC and W&LE the flexibility to proceed with either a $500,000 project, or a larger project.

In addition, Resolution 08–09 removes the responsibility for new job creation from the W&LE as stated in the 08–03 resolution. The current troubles at the Carrollton plant described above demonstrate the pitfalls of such a provision.

STAFF RECOMMENDATION

Staff recommends replacing Resolution 08–03 with 08–09 to maintain ORDC's flexibility to help with the rehabilitation of the Carrollton Line.

RESOLUTION 08-09 - Amendment to Resolution 08-03
RE: WHEELING & LAKE ERIE RAILWAY CARROLLTON BRANCH TRACK REHABILITATION GRANT

A RESOLUTION DETERMINING THE APPROPRIATENESS OF ASSISTANCE PROPOSED TO BE PROVIDED TO WHEELING & LAKE ERIE RAILWAY UNDER CHAPTER 4981 OF THE OHIO REVISED CODE.

WHEREAS, this Commission as the Ohio Rail Development Commission ("ORDC") created by Chapter 4981 of the Ohio Revised Code, has the responsibility of reviewing and making recommendations to ORDC staff with respect to the assistance under Chapter 4981 of the Ohio Revised Code (the "Act") proposed to be provided; and

WHEREAS, the ORDC has under consideration a modification of the provision of assistance under the Act to The Wheeling & Lake Erie Railway (the "Company"); and

WHEREAS, the ORDC staff has submitted to this ORDC a modification to a prior Request for Assistance submitted by the Company; the determination of the Executive Director of the ORDC and the facts upon which such determination is based, that the modification to the proposed assistance will conform to the requirements of the Act and the terms of the modification to the proposed assistance; and

WHEREAS, the ORDC has reviewed such submissions and discussed them with the Executive Director and staff of the ORDC the proposed assistance; and

WHEREAS, on the basis of such review and discussions, the ORDC has determined that the provision of assistance to the Company, as set forth in the ORDC staff's submissions, is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the ORDC of the State of Ohio:

Section 1. That the ORDC determines that the modification to the assistance proposed to be provided under the Act to assist the Company with the Rail Service Project (as defined below) is appropriate.

Section 2. That the ORDC approves the proposed modification of assistance to the Company, the nature, amount and terms of which are summarized in Exhibit "A" attached hereto.

Section 3. That the ORDC hereby amends Resolution 08-03 as set forth in Exhibit A.

Moved By _____
Seconded By _____

Upon roll call, the vote resulted as follows:

Jolene M. Molitoris, Chairwoman	____	yes	_____	no	_____	absent	____	abstained	____ recused
James G. Beasley, P.E., P.S.	____	yes	_____	no	_____	absent	____	abstained	____ recused
Barbara Hammontree Bennett	____	yes	_____	no	_____	absent	____	abstained	____ recused
Kimberly Gibson for Lt Gov Fisher	____	yes	_____	no	_____	absent	____	abstained	____ recused
Solomon Jackson	____	yes	_____	no	_____	absent	____	abstained	____ recused
Thomas McOwen	____	yes	_____	no	_____	absent	____	abstained	____ recused
Larry Sowers	____	yes	_____	no	_____	absent	____	abstained	____ recused
Herk Wolfe	____	yes	_____	no	_____	absent	____	abstained	____ recused
Daniel Roberts	____	yes	_____	no	_____	absent	____	abstained	____ recused
James Hartung	____	yes	_____	no	_____	absent	____	abstained	____ recused

ORDC ACTION: Motion approved _____ Other action _____
Motion denied _____ Date 5/8/2008

CERTIFICATE

I, the undersigned Chairwoman of the ORDC, hereby certify that the foregoing is a true and correct record of the resolution of said ORDC.

_____ 5/8/2008
Jolene M. Molitoris, Chairwoman

EXHIBIT A

The modifications to the Request for Assistance are as follows:

1. The specifics of the rehabilitation shall be determined by ORDC's Executive Director.
2. The Company shall no longer be held accountable by the ORDC for the retention of 100 jobs at Noramco and Heritage Plastics within three (3) years of the Rail Service Project's completion.

APPROVED PROJECT BRIEFING
APPLETON PAPERS SPUR, WEST CARROLLTON
April 25, 2008

Rail Project Costs		**Project Benefits**
*** ORDC Grant for Track**	**$50,000**	*** Appleton Retains 390 Jobs**
*** Appleton Costs, Unloading Area**	**$1,000,000**	*** Appleton Creates 35 Jobs**
		*** 150 to 350 New Carloads/yr.**

INTRODUCTION: Appleton Papers, Inc. requested a $50,000 to help defray the costs of a rail spur which will be part of a $100 million expansion project in West Carrollton, Montgomery County. ORDC's Executive and Chair approved the grant.

BACKGROUND: In late 2006, Appleton Papers was deciding whether to expand its operations in Wisconsin, Pennsylvania, or Ohio. ORDC joined with the Ohio Department of Development to offer an incentives package to help Appleton choose Ohio. Appleton did choose to expand in West Carrollton and is now in the process of investing $100 million in the expansion.

Appleton's Ohio plant is located along the Norfolk Southern Columbus to Cincinnati mainline through West Carrollton. Appleton has been producing a variety of paper products at its Ohio plant. Its inbound rail use has been extensive, about 1,000 rail cars per year, primarily pulp, waste paper, and other raw materials. It currently has two rail spurs on either side of its West Carrollton plant. Appleton will be installing a $19 million "coating kitchen" where it will use non-hazardous chemicals to produce thermal paper used for credit card receipts and other such items. Appleton needs a third spur on the east side of the plant to handle inbound materials used in this process.

PROJECT DESCRIPTION: ORDC will help pay for the extension of an existing track approximately 100 ft. The scope of work for the track portion of the project is included herein as Exhibit "A". Appleton is spending a considerable amount of money, about $1 million, on items related to the new track, i.e. a canopy and structural steel roofing so that rail items for the coating process, especially the powders, can be unloaded in a dry area.

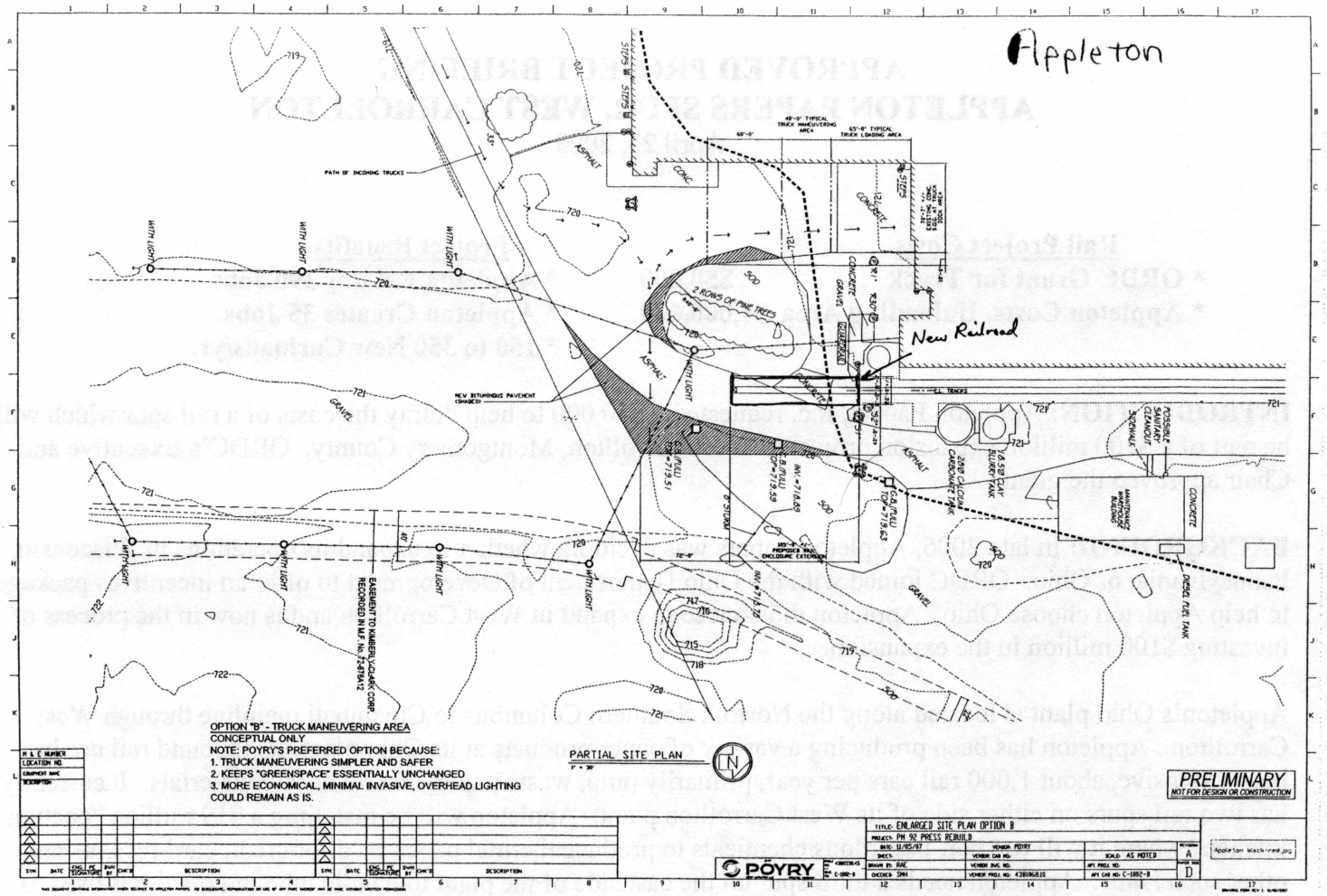
WHY ORDC FUNDING IS NEEDED: ORDC funding was part of the incentives package that helped convince Appleton to expand in Ohio rather than Wisconsin or Pennsylvania.

OTHER CONTRIBUTIONS: ODOD is providing a Job Creation Tax Credit worth $230,000, a sales tax exemption worth up to $7 million, $85,000 in training grants, $50,000 in a 412 Business Development Grant (now called Rapid Outreach), a $200,000 grant for roadwork and a $200,000 EDGE grant.

PROJECT BENEFITS:

- 390 jobs retained
- 35 jobs created
- 150 to 350 new carloads of freight generated

Appleton


New Railroad
PATH OF INCOMING TRUCKS
WITH LIGHT
2 ROWS OF PINE TREES
NEW BITUMINOUS PAVEMENT (SHADED)
EASEMENT TO KIMBERLY-CLARK CORP. RECORDED IN M.F. No. 726784 12
PROPOSED RAIL ENCLOSURE EXTENSION
MAINTENANCE WAREHOUSE BUILDING
DIESEL FUEL TANK
PARTIAL SITE PLAN
1" = 30'
OPTION "B" - TRUCK MANEUVERING AREA
CONCEPTUAL ONLY
NOTE: POYRY'S PREFERRED OPTION BECAUSE:
1. TRUCK MANEUVERING SIMPLER AND SAFER
2. KEEPS "GREENSPACE" ESSENTIALLY UNCHANGED
3. MORE ECONOMICAL, MINIMAL INVASIVE, OVERHEAD LIGHTING COULD REMAIN AS IS.
PRELIMINARY
NOT FOR DESIGN OR CONSTRUCTION
TITLE: ENLARGED SITE PLAN (OPTION B)
PROJECT: PM 92 PRESS REBUILD
DATE: 11/05/07
SCALE: AS NOTED
DRAWN BY: RAE
CHECKED: SMH
Appleton Westrock.jpg

12

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 8, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **APPLETON PAPERS SPUR, WEST CARROLLTON** and dated April 25, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING
HYDRODEC SPUR, CANTON
April 25, 2008

Project Funding		Project Benefits
* ORDC Grant, Trackmobile	$75,000	* 65 New Jobs/$33 per hr. Ave. Wage
* Hydrodec Track Investment	$400,000	* Redevelops Brownfield Site
		* 200 to 600 New Carloads/yr.

INTRODUCTION: Hydrodec North America LLC requested a $75,000 grant for the purpose of purchasing a trackmobile to handle on site traffic at its new refinery in Canton. ORDC's Executive Director and Chair have approved the grant.

BACKGROUND: Hydrodec North America LLC is a subsidiary of an Australian company. Hydrodec developed a patented process using heat, pressure, and a catalyst for refining used electric utility transformer oil into high quality transformer oil which meets all applicable specifications. The Hydrodec process was initially a part of an Australian government effort to figure out a way to get rid of PCB's from transformer oil. Consequently, the Hydrodec process eliminates PCB's from oil. Currently, used transformer oil is either incinerated to remove PCB's or used in low end applications that do not require precise specifications if PCB's are not an issue. Hydrodec will consider treating used transformer oil that contains PCB's after it has received permits from the US EPA to store and treat PCB contaminated oil. At present, Hydrodec will only refine used transformer oil that does not contain a level of PCB's that would require a permit from either the US EPA or State of Ohio, i.e. 49 parts per million.

Hydrodec is in the process of building an $11.8 million refinery on a 7 acre remediated, brownfield site in the Stein Industrial Park in Canton. The refinery is expected to be in production as early as August of this year. Initial capacity will be 25,000 gallons per day of production with an annual production of about 9 million gallons. Hydrodec could expand its operations to produce up to 75,000 gallons per day at the Canton site.

The new refinery is adjacent to the W&LE mainline which runs between its headquarters in Brewster and Canton. W&LE serves local customers along this Brewster to Canton track, uses it to access Republic Steel's Canton plant, to access its lines to N. Canton and Akron, and to access its Carrollton Branch. A map showing the new refinery and the W&LE lines in the Canton area is included as Exhibit "A".

Initially, Hydrodec was not certain how much rail usage it would need. It had originally estimated rail use would be about 2 or 3 cars per week and that a $100,000 rail spur could handle its rail needs. As Hydrodec familiarized itself with the American electric utilities marketplace, it became apparent that rail would be critical to operations, especially if it wanted to increase production. There is not enough room for all the trucks which would be needed if output gets much higher than 25,000 gallons per day. Because the Hydrodec process results in negligible waste, to produce 9 million gallons of new transformer oil per year it will employ a feedstock of 9 million gallons of inbound used oil.

Hydrodec expects to generate up to 12 rail cars per week, 6 inbound and 6 outbound. It has designed a two spur rail system so that it can maximize its rail use as the market requires. These rail spurs will cost approximately $400,000 to build.

PROJECT DESCRIPTION: Although ORDC had coordinated with Hydrodec when it first started looking at the Canton site, Hydrodec did not request ORDC grant funding until it had already started to construct its new refinery. Although ORDC's funding does not provide an incentive for choosing Ohio, it will satisfy ORDC's common practice of helping good projects become better projects, i.e. the "bigger, better, faster" criteria.

Hydrodec reported that it would need to move rail cars at its plant either by paying W&LE for extra switching services and at times waiting for W&LE crews to be available, or by using a car mover system employing winches, or use a trackmobile. The trackmobile is Hydrodec's preferred option because it provides the most versatility and efficiency for operations of the refinery. Without the ORDC grant, Hydrodec would not purchase a trackmobile.

ORDC grant funding will go toward the purchase of a trackmobile. ORDC staff will ensure the appropriate liens or clawbacks are established to ensure the continued use of the trackmobile at the Hydrodec plant.

WHY ORDC FUNDING IS NEEDED: ORDC funding will improve the efficiency of the Hydrodec operations. Without ORDC funding, a less efficient and cost effective means of moving on site rail cars would be employed.

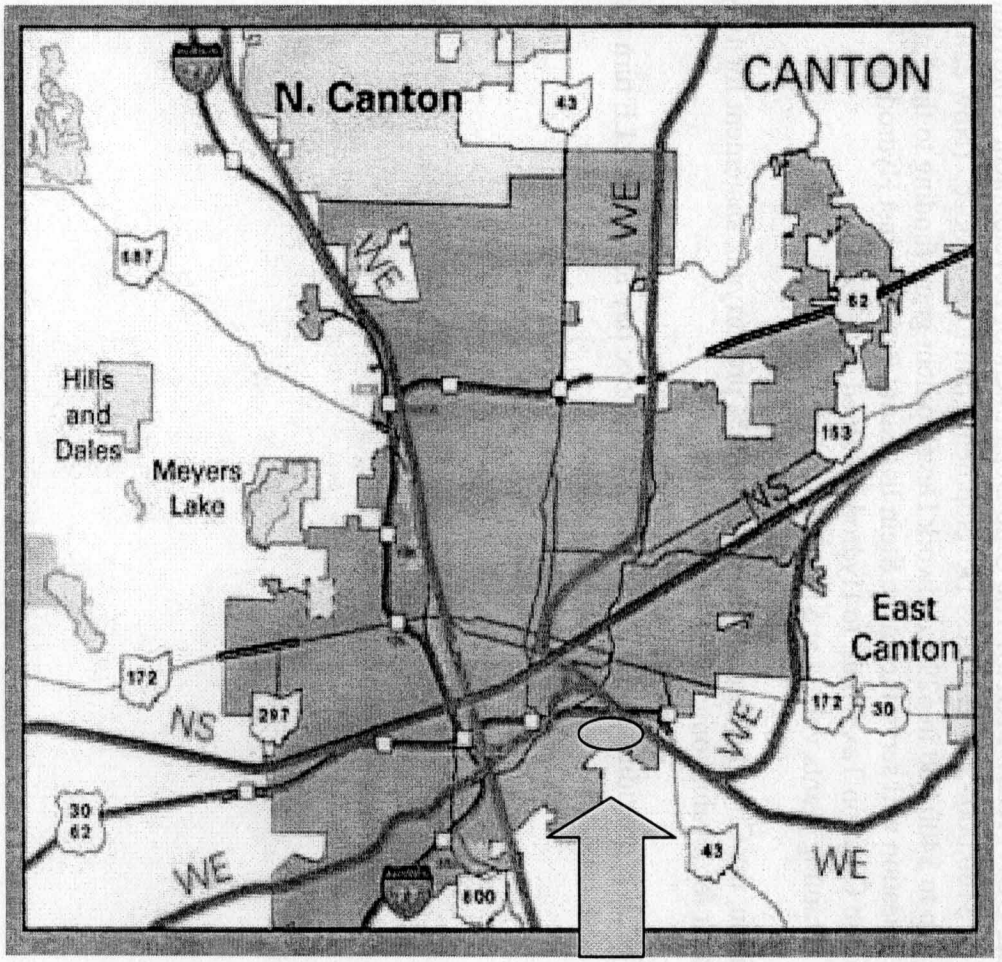
OTHER CONTRIBUTIONS: The Ohio Department of Development is providing the following incentives:

- A $100,000 - 412 Business Development grant to Hydrodec. (Now called a Rapid Outreach grant.)
- Up to $400,000 in 629 Roadwork Development grant funding to the City of Canton. The roadwork in question will serve the entire Stein Industrial Park, not just Hydrodec.
- Job Creation Tax Credit to Hydrodec valued at $539,000.
- Training grants valued at $130,000 to Hydrodec.

In addition, the City of Canton is providing a 75% property tax abatement for 10 years as well as a 50% abatement for local income taxes.

The W&LE is providing rate rebates to help Hydrodec pay for the W&LE turn out off its mainline.

HYDRODEC SPUR



Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 8, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **HYDRODEC SPUR, CANTON** and dated April 25, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

APPROVED PROJECT BRIEFING
LANCASTER PORT AUTHORITY SPUR TO SERVE US CORRUGATED

April 29, 2008

Project Costs	
* ORDC Grant	$90,000
* ODOD Grant	$90,000
* Port Authority	$420,000

Project Benefits

* 110 New Jobs
* 200 to 500 New Carloads on Short Line

INTRODUCTION: The Lancaster Port Authority requested a $90,000 grant to help pay for a 1,600 ft. rail spur to serve a new US Corrugated plant in Lancaster. ORDC's Executive Director and Chair have approved this funding request. The Port Authority may request a loan of approximately $170,000 from ORDC. The loan project would be presented at the next meeting for the vote of ORDC Commissioners.

BACKGROUND: The Lancaster Port Authority and the City of Lancaster have been developing an industrial park with 450 shovel ready acres located between the new US 33 four lane, divided highway bypass and the railroad tracks of the Indiana & Ohio Railway (I&O) Columbus to Logan line. Local government agencies have invested several million in infrastructure (sewer, water, road, and electric) to prepare for new businesses.

US Corrugated is a producer of corrugated cardboard products which currently has plants in Wisconsin and Georgia. After looking at sites in Ohio and Pennsylvania, US Corrugated chose Lancaster as the site of its new 315,000 sq. ft., $35 million box plant. It started construction on the plant on April 1 of this year and is expected to be in operation as early as September.

Rail was a key part of the state and local incentives package. US Corrugated needs rail to bring in large rolls of paper. Railroad officials estimate the total rail use at the new Lancaster plant will start out at between 200 to 500 carloads per year but could rise higher. The I&O can offer daily service to the new plant with existing crews that already serve Anchor Hocking facilities in Lancaster. The additional carloadings will add to the viability of the I&O's Columbus to Logan operations which are profitable, but need more traffic to meet the high capital costs of railroading. I&O trains from the Logan line have direct access to CSX in Parsons Yard and access to Norfolk Southern via an interline switching charge. A map of the Columbus to Logan line is included as Exhibit "A".

The Lancaster Port Authority and the City of Lancaster promised to pay for all rail costs as part of the local incentives package.

PROJECT DESCRIPTION: The rail project is to build a turn out and 1,600 ft. of new track off of an existing spur serving Anchor Hocking. Also included in the project is the encasing of two gas lines and the raising of an electric utility line. Final engineering is was completed and provided to ORDC on April 28, 2008. Costs are expected to be as high as $600,000 but bids have not yet been obtained. Actual costs could vary. A site location aerial is included as Exhibit "B" and a sketch of the rail access in included as Exhibit "C". The engineer's estimate is included as Exhibit "D".

The Lancaster Port Authority has raised $250,000 in cash along with grants of $90,000 from ORDC and $90,000 from the Ohio Department of Development so it has $430,000 available for the $600,000 project. The Port Authority has a stream of revenues from the local gas company it operates and may need to take out a loan of about $170,000 to fulfill its commitment to provide rail. ORDC and the Port Authority have had preliminary discussions about ORDC providing a loan but there was not time to work out the details before ORDC Staff sent out information to ORDC Commissioners for the May 8, 2008 meeting.

The Lancaster Port Authority will own and maintain the track once it is completed.

WHY ORDC FUNDING IS NEEDED: ORDC is partnering with Lancaster and the Ohio Department of Development to provide an incentive for a new rail-dependent business to locate in Ohio.

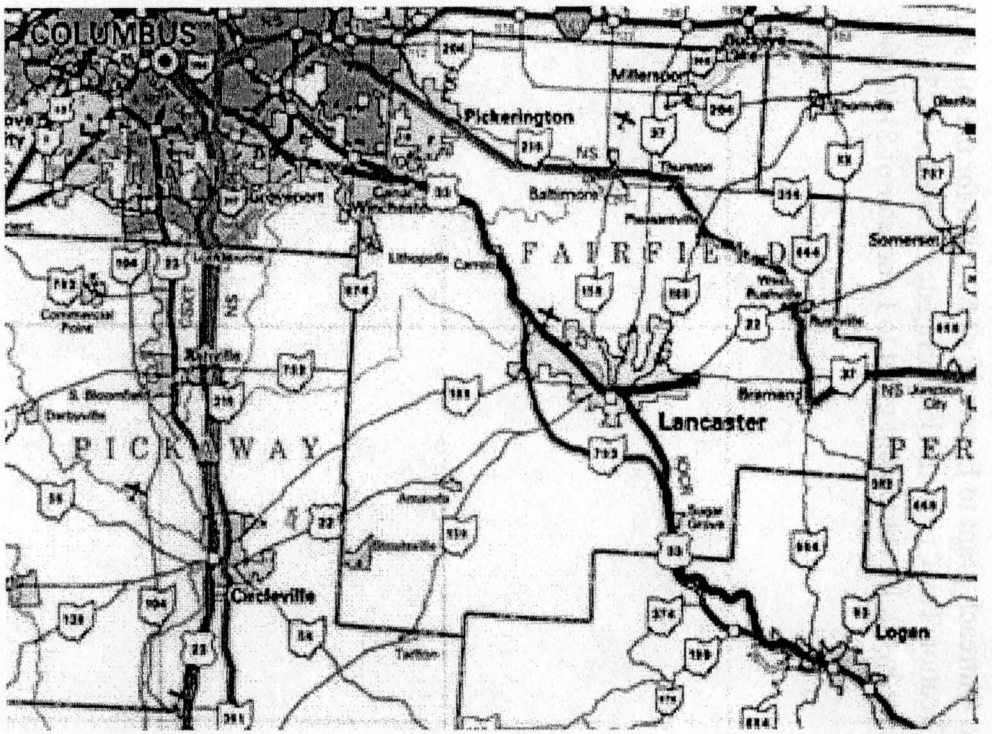
PROJECT BENEFITS

- 110 new jobs averaging about $16/hr. in pay plus $6 per hour in benefits.
- 200 to 500 new carloads for a short line that needs more traffic.

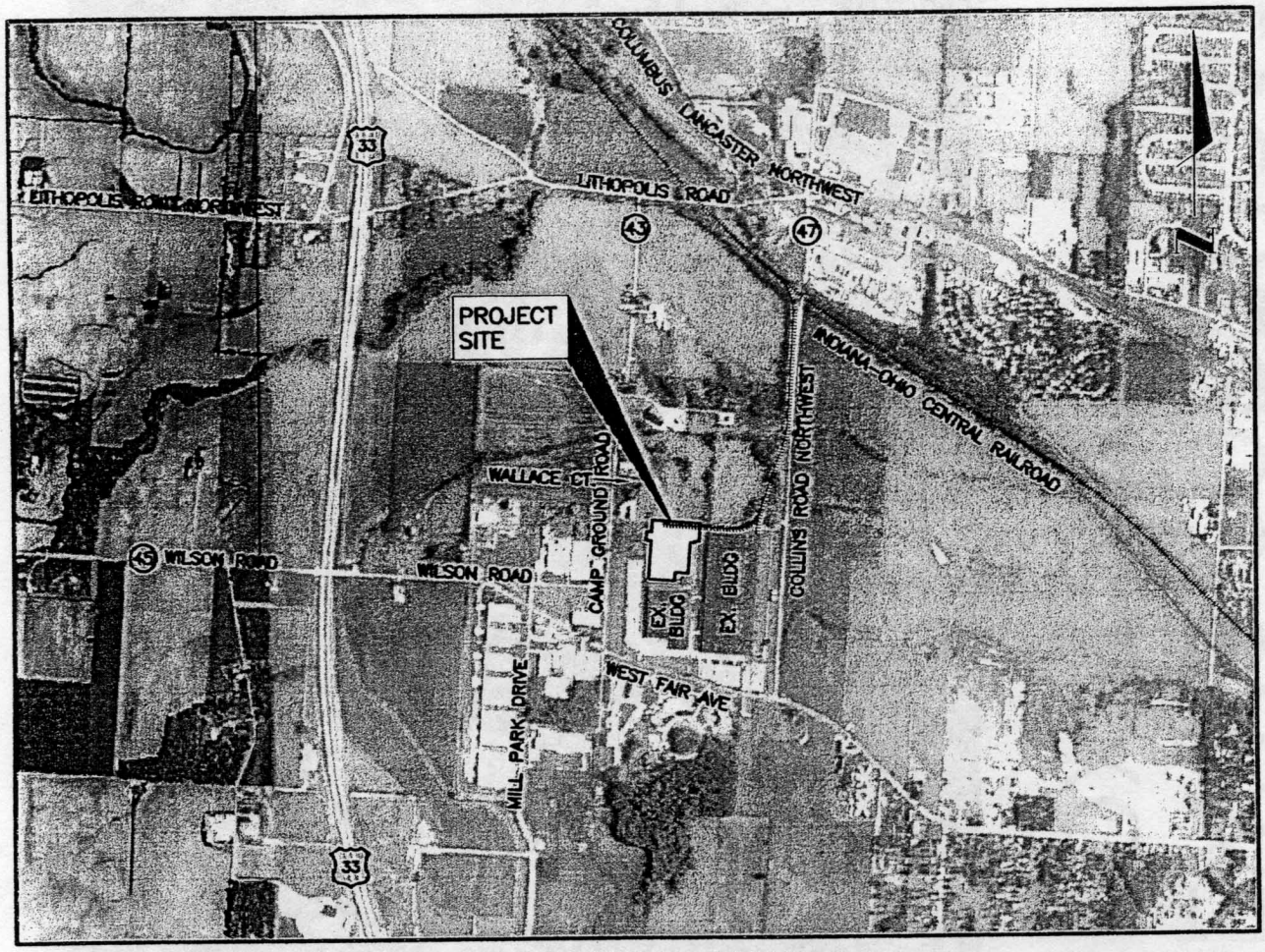
OTHER CONTRIBUTIONS

- Community Reinvestment Area 15 year, 100% property tax abatement
- Local contributions for road improvements.
- Local contributions for about $420,000 of the total rail costs.
- ODOD Rapid Outreach grant to Lancaster of $90,000 for the rail spur.
- ODOD Job Creation Tax Credit to US Corrugated valued at $236,000
- ODOD 629 Roadwork Development grant to Lancaster of $150,000.

Indiana & Ohio Railway Columbus to Logan Line



SITE OF NEW US CORRUGATED BOX PLANT



LOCATION MAP

NO SCALE

ESTIMATE OF PROBABLE CONSTRUCTION COST

RAILROAD TRACK TO SERVE U.S. CORRUGATED, LANCASTER, OHIO

BRH Group, Inc.
705-F Lakeview Plaza Boulevard
Worthington, Ohio 43085

THIS COST ESTIMATE IS BASED UPON THE PRELIMINARY PLANS PREPARED BY BRH GROUP, INC. ON 4/24/2008. OHIO DEPARTMENT OF TRANSPORTATION ITEMS SHOWN UNLESS OTHERWISE NOTED, AS LISTED IN THE 2008 EDITION OF THE CONSTRUCTION AND MATERIAL SPECFICATIONS. THE FOLLOWING ITEMS ARE EXCLUDED FROM THIS ESTIMATE AND MAY INCREASE THE COST OF THE PROJECT:

-ADDITIONAL WORK TO REMEDY POOR SUBGRADE SOILS, INCLUDING SOIL STABILIZATION, UNDERCUTTING, GEOGRID, OR STONE EMBANKMENT.
-RIGHT-OF-WAY AND/OR EASEMENT ACQUISITION
- SOIL TESTING AND CONSTRUCTION INSPECTION

DATE: 29-Apr-08
PAGE No: 1 of 2

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	TRACK GRADE CONSTRUCTION				
201	Clearing & Grubbing	1	LS	$10,000.00	$10,000.00
203	Excavation	3,000	CY	$8.00	$24,000.00
203	Embankment	7,300	CY	$4.00	$29,200.00
204	Subgrade Compaction and Proofrolling	4,400	SY	$1.50	$6,600.00
712.09	Geotextile	4,400	SY	$2.50	$11,000.00
304	Subballast	1,500	CY	$39.00	$58,500.00
	EROSION CONTROL				
207	Filter Fabric Fence, Temporary Erosion Control	1,300	LF	$3.00	$3,900.00
659	Seeding & Mulching	3,500	SY	$3.00	$10,500.00
	DRAINAGE				
601	Rock Channel Protection	15	CY	$100.00	$1,500.00
603	24" Type A (including 2 endwalls)	60	LF	$100.00	$6,000.00
603	30" Type A	34	LF	$60.00	$2,040.00
603	42" Type A	152	LF	$70.00	$10,640.00
603	48" Type A (including 1 endwall)	65	LF	$160.00	$10,400.00
603	#3 Manhole	1	EA	$3,000.00	$3,000.00
603	2-5 Catch Basin	1	EA	$3,000.00	$3,000.00
605	Underdrain	523	LF	$10.00	$5,230.00
	TRACK				
	#10 Turnout Complete	1	EA	$50,000.00	$50,000.00
	Track (including rail, crossties, and ballast)	1,634	LF	$150.00	$245,100.00
	Hinge Derail	1	EA	$1,000.00	$1,000.00
	Sliding derail	1	EA	$3,000.00	$3,000.00

Cost Estimates prepared by the Engineer represent their best judgement as a design professional. The Engineer has no control over market conditions. Bids or prices may vary from this cost estimate.

ESTIMATE OF PROBABLE CONSTRUCTION COST

RAILROAD TRACK TO SERVE U.S. CORRUGATED, LANCASTER, OHIO

BRH Group, Inc.
705-F Lakeview Plaza Boulevard
Worthington, Ohio 43085

DATE: 29-Apr-08
PAGE No: 2 of 2

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
	Bumping Post	1	EA	$4,000.00	$4,000.00
	Door Threshold	1	EA	$2,000.00	$2,000.00
	Crossbuck Signs	1	LS	$2,000.00	$2,000.00
	Grade Crossing	1	EA	$4,000.00	$4,000.00
	OVERHEAD ELECTRIC CROSSING				
	Electric Crossing Raise Over Track, Complete	1	LS	$24,950.00	$24,950.00
	MISC				
623	Construction Layout Stakes	1	LS	$5,000.00	$5,000.00
624	Mobilization	1	LS	$5,000.00	$5,000.00
	Total				$541,560.00
	Contingency (10%)				$54,156.00
	TOTAL CONSTRUCTION COST				**$595,716.00**

Cost Estimates prepared by the Engineer represent their best judgement as a design professional. The Engineer has no control over market conditions. Bids or prices may vary from this cost estimate.

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 8, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the project described in the Approved Project Briefing entitled **LANCASTER PORT AUTHORITY SPUR TO SERVE U.S. CORRUGATED** and dated April 29, 2008 as described in that briefing.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

STATE OF OHIO
CONTROLLING BOARD
30 East Broad Street, 34th Floor
Columbus, Ohio 43215-3457
(614) 466-5721 FAX:(614) 466-3813

OPERATING REQUEST

Controlling Board No.
DOT0100032

Status: Scheduled
Meeting Date: 5/5/2008

GENERAL INFORMATION

Agency
Transportation

Division/Institution
ORDC

- (•) Waiver of Competitive Selection (Revised Code Section 127.16B)
  - (✓) No Competitive Opportunity
  - ( ) Agency Released Competitive Opportunity
- ( ) Other Statutory Authority/Bill Section:
- ( ) Operating Transfer Request (Revised Code Section 127.14)
  - ( ) Appropriation
  - ( ) Cash
  - ( ) Other Statutory Authority/Bill Section:

Fiscal Year(s)
2008

Bill No.
H.B. 119

Eligible for OBM Director Approval?
No

WAIVER INFORMATION

For	Vendor ID	FY	Amount	Name	Address	City	State	County	Zip Code
DOT01	0000047957	2008	$64,275.00	Continental Appraisal Company	1111 Schrock Road, Suite 202	Columbus	OH	Franklin	43229

FUNDING INFORMATION

Fund Group	Fund Code	Appropriation Line Item	Appropriation Line Item Name	FY	Amount	FY	Amount
	GRF	776465	OHIO RAIL DEVELOPMENT COMMISSN	2008	$64,275.00		$.00

SIGNATURES

Matthew R. Dietrich

Agency Director or Authorized Agent

04/25/2008

Date

On The Date Of

Controlling Board President/OBM Director

AGENCY CONTACT

Name: Megan E McClory

Title: Secretary-Treasurer

Phone: (614) 644 - 0289

Fax: (614) 728 - 4520

E-Mail: megan.mcclory@dot.state.oh.us

REQUIRED EXPLANATION OF REQUEST

Rail Development Commission requests Controlling Board approval to waive competitive selection in the amount of $64,275.00 for FY08 to contract with Continental Appraisal Company, Columbus, Franklin County, to update the appraisal of the Panhandle Division, a 160-mile railroad asset running from Columbus to Mingo Junction in eastern Ohio.

The State of Ohio purchased the Panhandle Division, a 160-mile railroad running from Columbus to Mingo Junction, Ohio, in 1992. The line was deemed to be important to the shippers who used it and is the last remaining rail link between Columbus and Pittsburgh, yet no private purchaser had the resources to meet Conrail's asking price. In a complex financing transaction,

the line was purchased and the state has contracted with a private operator in five-year increments to provide rail service ever since.

The contract operator since the purchase, the Columbus & Ohio River Railroad (C&OR), has made all of the required debt payments and invested over $26 million in track maintenance and capital improvements. The acquisition debt is due to be fully retired in 2012.

Railroading is among the most capital intensive businesses in the world. In order to make major capital investments in the line, the C&OR needs to obtain long-term financing, however this is difficult with only a five-year operating agreement. The ORDC has formed a Panhandle Line Committee to consider a twenty-five year operating agreement to enable long-term financing and to give an additional degree of certainty to shippers (and potential shippers) along the line.

The Committee has met frequently since October and is now considering the lease price that the C&OR should pay. The Committee has determined that there is a need to update an appraisal of the Panhandle that was completed in 2004. Because the comparable sales used in that appraisal were as old as 1999, and because the ORDC has been advised that appraisals are generally only reliable for a 2-3 year period, the committee directed staff to engage an update of the 2004 appraisal. The selected contractor, Continental Appraisal Company, is experienced in rail corridor valuation and served as the reviewer to the original 2004 appraisal. In addition, due to Continental's experience with this particular property, the ORDC believes the cost of this update is much less than it would be to start the appraisal process anew.

Attachments **Controlling Board Request No.: DOT0100032**

Attachment Type	Attachment Description
Contract	Scope of Services for Continental Appraisal Company (Exhibit I)
Contract	Contract with Continental Appraisal Company (signed)

Release and Permit Information

Name	FY	Amount	R & P #	R & P Date	Issued By	Comments
Continental Appraisal Company	2008	$64,275.00	dot08368	04/28/2008	Not Required	

Operating Request Required Information **Controlling Board Request No.: DOT0100032**
New Contract - Continental Appraisal Company

1. Selection Process: Was this contract subject to selection by a Request for Proposal (RFP) process? No

   Explain why this contract was not subject to an RFP process
   The selected contractor was used in a previous contract which was subject to an RFP process. Based on the institutional knowledge from that project, along with the quality of work and the contractor's experience in railroad appraisal, the ORDC's Panhandle Committee has determined that this is the most qualified vendor for this project.

2. Provide the following selected contractor information:

   Continental Appraisal Company
   1111 Schrock Road, Suite 202
   Columbus, OH 43229
   County: Franklin

3. Contractor's location from which all or most of the contract work will be performed, if different from the location of principal place of business. (For institutional agencies, cite the location of the institution, including the city and county, where services are to be performed.)

4. Institutional agencies only: Is the contractor currently performing services at the institution listed above?

5. Specify the deliverables of this contract or describe the scope of service(s) to be performed by this contractor.
   The contractor will inspect the length of the property, prepare a comparable sales book that includes multiple property types in the seven counties through which the line extends, provide a narrative discussion of the appraisal process and the results thereof, and procure an evaluation of the track and fixtures.

6. Cite the account category of expense being used for this purchase of service(s).

Account Category	Subobject	Amount	Non-Exempt Amount
518001		$64,275.00	$64,275.00
	Total Amounts	$64,275.00	$64,275.00

7. Duration of this contract (beginning and ending dates) within the fiscal biennium.

Beginning Date	Ending Date
05/05/2008	08/31/2008

8. Is the contractor already performing work under this contract? No

9. Identify all state contracts which the selected contractor has had approved by the Controlling Board since the beginning of the last fiscal year through this fiscal year to date. Also include contracts approved for this agency or institutions of higher education.

   a. Total number of contracts. 2
   b. For each contract list the state agency and the contract amount.

Agency	Contract/Agreement Amount	FY
Transportation	$250,000.00	07
Transportation	$112,000.00	08

10. Contractor Procurement Compliance:
    a. Is this contractor in compliance with Buy America? Yes

Explain: The company is located in Columbus, Ohio.

b. Is this contractor in compliance with Buy Ohio? Yes

Explain: The company is located in Columbus, Ohio.

11. Provide the following employee information:

	Nationwide	Ohio
Total Number of Employees	0	5
Percentage of Women	0%	20%
Percentage of Minorities	0%	20%

12. What percent of the work will be done by subcontractors? 18.7

If more than 50%, provide the same information for each subcontractor as requested in number 11 above for the contractor.

Subcontractor	Nationwide # of Employees	Nationwide % of Women	Nationwide % of Minorities	Ohio # of Employees	Ohio % of Women	Ohio % of Minorities

13. Provide all subsequent renewal schedules (beginning and ending dates) and amounts associated with this contract.

A contract renewal is the exercise of an option to enter into a subsequent contract with a vendor in accordance with renewal provisions specified in a preceding contract.

Beginning Date	Ending Date	Total Lease Amount

Explain contract provisions.

AGREEMENT
BETWEEN THE
OHIO RAIL DEVELOPMENT COMMISSION
AND
CONTINENTAL APPRAISAL COMPANY
FOR SERVICES

This Agreement for Services (the "Agreement") is made and entered into by and between the **State of Ohio, Ohio Rail Development Commission** (hereinafter referred to as the "Agency"), **Continental Appraisal Company, 1111 Schrock Road, Suite 202, Columbus, Ohio 43229,** (hereinafter referred to as the "Contractor"). This Agreement shall have the ORDC Agreement Control Number 2008-15.

WHEREAS, Agency desires to engage Contractor to update the appraisal of the real estate, track, and fixtures of the Panhandle Division that was reviewed by the Contractor in 2004;

WHEREAS, Pursuant to Ohio Revised Code Section 4981.14(B)(9), Agency may enter into agreements with Contractors to effectuate the purposes for which Agency was created; and

WHEREAS, Contractor desires to perform such services for Agency in accordance with the terms and conditions prescribed by Agency;

STATEMENT OF THE AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter set forth, the parties hereby agree as follows:

ARTICLE I: NATURE OF CONTRACT

1.1 Contractor shall be employed as an independent contractor, to fulfill the terms of this Agreement. It is specifically understood that the nature of the services to be rendered under this Agreement are of such a personal nature that Agency is the sole judge of the adequacy of such services. Agency thus reserves the right to cancel this Agreement should Agency at any time be dissatisfied with Contractor's performance of its duties under this Agreement.

1.2 Agency enters into this Agreement in reliance upon Contractor's representations that it has the necessary expertise and experience to perform its obligations hereunder, and Contractor warrants that it does possess the necessary expertise and experience.

1.3 Contractor shall perform services and Agency shall not hire, supervise, or pay any assistants to Contractor in its performance under this Agreement. Agency shall not be required to provide any training to Contractor to enable it to perform services required hereunder.

1.4 In the event of a cancellation of this Agreement by Agency, Contractor shall be reimbursed in accordance with Article VI, Termination of Contractor's Services. All provisions of this Agreement relating to "confidentiality" shall remain binding upon Contractor in the event of cancellation.

1.5 Agency may, from time to time, communicate specific instructions and requests to Contractor concerning the performance of the work described in this Agreement. Upon such notice and within ten days after receipt of instructions, Contractor shall comply with such instructions and fulfill such requests to Agency's satisfaction. It is expressly understood by the parties that these instructions and requests are for the sole purpose of performing the specific tasks requested to ensure satisfactory completion of the work described in this Agreement. The management of the work, including the exclusive right to control or direct the manner or means by which the work is performed, remains with the Contractor. Agency retains the right to ensure that Contractor's work is in conformity with the terms and conditions of this Agreement. It is fully understood and agreed that Contractor is an independent contractor and neither Contractor nor its personnel shall at any time, or for any purpose, be considered as agents, servants, or employees of Agency or the State of Ohio.

ARTICLE II: SCOPE OF SERVICES

2.1 Contractor shall undertake the work and activities set forth in the letter from Continental Appraisal Company dated March 31, 2008, and attached as Exhibit I.

2.2 Contractor shall not discuss or disclose any information or material obtained pursuant to its obligations under this Agreement without the prior written consent of Agency.

ARTICLE III: TIME OF PERFORMANCE

3.1 The services as stated in Article II, Scope of Services, shall be commenced on May __, 2008, and concluded on or before August 31, 2008. In the event that the work hereunder is to be done in separate phases, each phase shall be completed within the time prescribed in Exhibit I.

3.2 This Agreement shall remain in effect until the work described in Article II, Scope of Services, is completed to the satisfaction of Agency and until Contractor is paid in accordance with Article IV, Compensation, or until terminated as provided in Article VI, Termination of Contractor's Services, whichever is sooner. This Agreement shall be completed no later than the 31st day of August, 2008.

3.3 As the current General Assembly cannot commit a future General Assembly to expenditure, this Agreement shall expire no later than June 30, 2009. Agency may renew this Agreement on the same terms and conditions by giving written notice prior to expiration. Such renewal shall begin at the start of the next biennium and shall not extend beyond the expiration of the biennium in which the renewal commences.

ARTICLE IV: COMPENSATION

4.1 Under no circumstances shall the total amount due or payable to Contractor under this Agreement as compensation exceed a total amount of Sixty-Four Thousand, Two-Hundred Seventy-Five Dollars ($64,275.00).

4.2 Contractor shall submit no more than three invoices for the compensation incurred, and the invoices shall contain a description of the services performed and total hours worked.

The three invoices may be submitted upon completion of the following items per the Scope of Services attached as Exhibit I:

Completion of Volume 3, Track and Fixtures Valuation:	$12,000
Completion of Volume 2, Comparable Sales Book:	$33,825
Completion of Volume 1, Discussion/Analysis and full performance of all other contract items:	$18,450

Upon receipt and approval of the invoices by Agency, a voucher for payment shall be processed. If the Agency determines that an invoice is inadequate or insufficient, or determines that further documentation or clarification is required for a particular invoice, the burden of providing the required information or documentation is on the Contractor. Costs incurred by Contractor which are associated with providing the required additional information or documentation and costs which are related to defending an inadequate or insufficient invoice shall not be charged to the Agency and shall not be considered an allowable expense under this Agreement.

ARTICLE V: CERTIFICATION OF FUNDS

5.1 It is expressly understood and agreed by the parties that none of the rights, duties, and obligations described in this Agreement shall be binding on either party until all relevant statutory provisions of the Ohio Revised Code, including, but not limited to, O.R.C. Section 126.07, have been complied with, and until such time as all necessary funds are available or encumbered and, when required, such expenditure of funds is approved by the Controlling Board of the State of Ohio, or in the event that grant funds are used, until such time that Agency gives Contractor written notice that such funds have been made available to Agency by Agency's funding source.

ARTICLE VI: TERMINATION OF CONTRACTOR'S SERVICES

6.1 Agency may, at any time prior to the completion of services by Contractor under this Agreement, suspend or terminate this Agreement with or without cause by giving written notice to Contractor.

6.2 Contractor, upon receipt of notice of suspension or termination, shall cease work on the suspended or terminated activities under this Agreement, suspend or terminate all subcontracts relating to the suspended or terminated activities, take all necessary or appropriate steps to limit disbursements and minimize costs, and, if requested by Agency, furnish a report, as of the date of receipt of notice of suspension or termination, describing the status of all work under this Agreement, including, without limitation, results, conclusions resulting therefrom, and any other matters Agency requires.

6.3 Contractor shall be paid for services rendered up to the date Contractor received notice of suspension or termination, less any payments previously made, provided Contractor has supported such payments with detailed factual data containing services performed and hours worked. In the event of suspension or termination, any payments made by Agency for which Contractor has not rendered services shall be refunded.

6.4 In the event this Agreement is terminated prior to its completion, Contractor, upon payment as specified, shall deliver to Agency all work products and documents which have been prepared by Contractor in the course of providing services under this Agreement. All such materials shall

become and remain the property of Agency, to be used in such manner and for such purpose as Agency may choose.

6.5 Contractor agrees to waive any right to, and shall make no claim for, additional compensation against Agency by reason of such suspension or termination.

6.6 Contractor may terminate this Agreement upon 30 days prior written notice to Agency.

ARTICLE VII: RELATIONSHIP OF PARTIES

7.1 Agency and Contractor agree that, during the term of this Agreement, Contractor shall be engaged by Agency solely on an independent contractor basis, and Contractor shall therefore be responsible for all Contractor's business expenses, including, but not limited to, employees' wages and salaries, insurance of every type and description, and all business and personal taxes, including income and Social Security taxes and contributions for Workers' Compensation and Unemployment Compensation coverage, if any.

7.2 Contractor agrees to comply with all applicable federal, state and local laws in the conduct of the work hereunder.

7.3 While Contractor shall be required to render services described hereunder for Agency during the term of this Agreement, nothing herein shall be construed to imply, by reason of Contractor's engagement hereunder on an independent contractor basis, that Agency shall have or may exercise any right of control over Contractor with regard to the manner or method of Contractor's performance of services hereunder.

7.4 Except as expressly provided herein, neither party shall have the right to bind or obligate the other party in any manner without the other party's prior written consent.

ARTICLE VIII: RECORD KEEPING

8.1 During performance of this Agreement and for a period of three years after its completion, Contractor shall maintain auditable records of all charges pertaining to this Agreement and shall make such records available to Agency as Agency may reasonably require.

ARTICLE IX: RELATED AGREEMENTS

9.1 The work contemplated in this Agreement is to be performed by Contractor, who may subcontract without Agency's approval for the purchase of articles, supplies, components, or special mechanical services that do not involve the type of work or services described in Article II, Scope of Services, but which are required for its satisfactory completion. Contractor shall not enter into other subcontracts without prior written approval by Agency. All work subcontracted shall be at Contractor's expense.

9.2 Contractor shall bind its subcontractors to the terms of this Agreement, so far as applicable to the work of the subcontractor, and shall not agree to any provision which seeks to bind Agency to terms inconsistent with, or at variance from, this Agreement.

9.3 Contractor warrants that it has not entered into, nor shall it enter into, other agreements, without prior written approval of Agency, to perform substantially identical work for the State of Ohio such that the product contemplated hereunder duplicates the work called for by the other agreements.

9.4 Contractor shall furnish to Agency a list of all subcontractors, their addresses, tax identification numbers, and the dollar amount of each subcontract.

ARTICLE X: CONFLICTS OF INTEREST AND ETHICS COMPLIANCE

10.1 No personnel of Contractor or member of the governing body of any locality or other public official or employee of any such locality in which, or relating to which, the work under this Agreement is being carried out, and who exercise any functions or responsibilities in connection with the review or approval of this Agreement or carrying out of any such work, shall, prior to the completion of said work, voluntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to the carrying out of said work.

10.2 Any such person who acquires an incompatible or conflicting personal interest, on or after the effective date of this Agreement, or who involuntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to Agency in writing. Thereafter, he or she shall not participate in any action affecting the work under this Agreement, unless Agency shall determine in its sole discretion that, in the light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

10.3 Contractor represents, warrants, and certifies that it and its employees engaged in the administration or performance of this Agreement are knowledgeable of and understand the Ohio Ethics and Conflicts of Interest laws and Executive Order No. 2007-01S. Contractor further represents, warrants, and certifies that neither Contractor nor any of its employees will do any act that is inconsistent with such laws and Executive Order. The Governor's Executive Orders may be found by accessing the following website:

http://governor.ohio.gov/GovernorsOffice/ExecutiveOrdersDirectives/tabid/105/Default.aspx.

ARTICLE XI: NONDISCRIMINATION OF EMPLOYMENT

11.1 Pursuant to O.R.C. Section 125.111, Contractor agrees that Contractor, any subcontractor, and any person acting on behalf of Contractor or a subcontractor, shall not discriminate, by reason of race, color, religion, sex, age, national origin, disability, sexual orientation, or gender identity against any citizen of this state in the employment of any person qualified and available to perform the work under this Agreement.

9d

11.2 Contractor further agrees that Contractor, any subcontractor, and any person acting on behalf of Contractor or a subcontractor shall not, in any manner, discriminate against, intimidate, or retaliate against any employee hired for the performance of work under this Agreement on account of race, color, religion, sex, age, national origin, disability, sexual orientation, or gender identity.

11.3 Contractor represents that it has a written affirmative action program for the employment and effective utilization of economically disadvantaged persons and shall file a description of the affirmative action program and a progress report on its implementation with the equal employment opportunity office of the Department of Administrative Services.

ARTICLE XII: RIGHTS IN DATA AND COPYRIGHTS/PUBLIC USE

12.1 Agency shall have unrestricted authority to reproduce, distribute and use (in whole or in part) any reports, data or materials prepared by Contractor pursuant to this Agreement. No such documents or other materials produced (in whole or in part) with funds provided to Contractor by Agency shall be subject to copyright by Contractor in the United States or any other country.

12.2 Contractor agrees that all deliverables hereunder shall be made freely available to the general public to the extent permitted or required by law.

ARTICLE XIII: LIABILITY

13.1 Contractor agrees to indemnify and to hold Agency and the State of Ohio harmless and immune from any and all claims for injury or damages arising from this Agreement which are attributable to Contractor's own actions or omissions or those of its trustees, officers, agents, employees, subcontractors, suppliers, third parties utilized by Contractor, or joint venturers while acting under this Agreement. Such claims shall include any claims made under the Fair Labor Standards Act or under any other federal or state law involving wages, overtime, or employment matters and any claims involving patents, copyrights, and trademarks.

13.2 Contractor shall bear all costs associated with defending Agency and the State of Ohio against any claims.

13.3 In no event shall either party be liable to the other party for indirect, consequential, incidental, special, or punitive damages, or lost profits.

ARTICLE XIV: COMPLIANCE WITH LAWS

14.1 Contractor, in the execution of duties and obligations under this Agreement, agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances.

ARTICLE XV: DRUG FREE WORKPLACE

15.1 Contractor agrees to comply with all applicable federal, state and local laws regarding smoke-free and drug-free work places and shall make a good faith effort to ensure that none of its employees or

permitted subcontractors engaged in the work being performed hereunder purchase, transfer, use, or possess illegal drugs or alcohol, or abuse prescription drugs in any way.

ARTICLE XVI: CAMPAIGN CONTRIBUTIONS

16.1 Contractor hereby certifies that all applicable parties listed in Division (I)(3) or (J)(3) of O.R.C. Section 3517.13 are in full compliance with Divisions (I)(1) and (J)(1) of O.R.C. Section 3517.13.

ARTICLE XVII: ENTIRE AGREEMENT/WAIVER

17.1 This Agreement contains the entire agreement between the parties hereto and shall not be modified, amended or supplemented, or any rights herein waived, unless specifically agreed upon in writing by the parties hereto.

17.2 This Agreement supersedes any and all previous agreements, whether written or oral, between the parties.

17.3 A waiver by any party of any breach or default by the other party under this Agreement shall not constitute a continuing waiver by such party of any subsequent act in breach of or in default hereunder.

ARTICLE XVIII: NOTICES

18.1 All notices, consents, and communications hereunder shall be given in writing, shall be deemed to be given upon receipt thereof, and shall be sent to the addresses first set forth above.

ARTICLE XIX: HEADINGS

19.1 The headings in this Agreement have been inserted for convenient reference only and shall not be considered in any questions of interpretation or construction of this Agreement.

ARTICLE XX: SEVERABILITY

20.1 The provisions of this Agreement are severable and independent, and if any such provision shall be determined to be unenforceable in whole or in part, the remaining provisions and any partially enforceable provision shall, to the extent enforceable in any jurisdiction, nevertheless be binding and enforceable.

ARTICLE XXI: CONTROLLING LAW

21.1 This Agreement and the rights of the parties hereunder shall be governed, construed, and interpreted in accordance with the laws of the State of Ohio and only Ohio courts shall have jurisdiction over any action or proceeding concerning the Agreement and/or performance thereunder.

ARTICLE XXII: SUCCESSORS AND ASSIGNS

22.1 Neither this Agreement nor any rights, duties, or obligations hereunder may be assigned or transferred in whole or in part by Contractor, without the prior written consent of Agency.

ARTICLE XXIII: FINDINGS FOR RECOVERY

23.1 Contractor warrants that it is not subject to an "unresolved" finding for recovery under O.R.C. Section 9.24. If this warranty is found to be false, this Agreement is void *ab initio* and Contractor shall immediately repay to Agency any funds paid under this Agreement.

ARTICLE XXIV: DEBARMENT

24.1 Contractor represents and warrants that it is not debarred from consideration for contract awards by the Director of the Department of Administrative Services, pursuant to either O.R.C. Section 153.02 or O.R.C. Section 125.25. If this representation and warranty is found to be false, this Agreement is void *ab initio* and Contractor shall immediately repay to Agency any funds paid under this Agreement.

ARTICLE XXV: DECLARATION REGARDING MATERIAL ASSISTANCE/ NONASSISTANCE TO A TERRORIST ORGANIZATION

25.1 Contractor hereby represents and warrants to Agency that it has not provided any material assistance, as that term is defined in O.R.C. Section 2909.33(C), to any organization identified by and included on the United States Department of State Terrorist Exclusion List and that it has truthfully answered "no" to every question on the "Declaration Regarding Material Assistance/Non-assistance to a Terrorist Organization." Contractor further represents and warrants that it has provided or will provide such to Agency prior to execution of this Agreement. If these representations and warranties are found to be false, this Agreement is void *ab initio* and Contractor shall immediately repay to Agency any funds paid under this Agreement.

ARTICLE XXVI: EXECUTION

26.1 This Agreement is not binding upon Agency unless executed in full.

IN WITNESS WHEREOF, the parties have executed this Agreement for Services on the day and year as set forth below.

CONTRACTOR:	SPONSOR:
Continental Appraisal Company	State of Ohio Ohio Rail Development Commission
By:_____	By:_____
Print Name: John M. Garvin	Matthew Dietrich
Title: President	Executive Director
Date: 4/23/08	Date:_____

9R

"EXHIBIT A"

Continental Appraisal Company
REAL ESTATE CONSULTANTS & APPRAISERS

1111 Schrock Road, Suite 202
Columbus, Ohio 43229

Phone (614) 436-0200
Fax (614) 436-0215

INDIVIDUAL MEMBERSHIPS
APPRAISAL INSTITUTE
AMERICAN SOCIETY OF REAL ESTATE COUNSELORS
INTERNATIONAL RIGHT-OF-WAY ASSOCIATION
NATIONAL ASSOCIATION OF REALTORS
OHIO ASSOCIATION OF REALTORS
COLUMBUS BOARD OF REALTORS

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ORDC
2008 APR -9 PM 4:35

March 31, 2008

Mr. Matthew R. Dietrich
Secretary-Treasure
Ohio Rail Development Commission
50 West Broad Street, Suite 1510
Columbus, Ohio 43215

RE: Propsal – Panhandle Rail Road
Appraisal of Real Estate and Track, Fixtures and Equipment

Dear Mr. Dietrich:

Per our meeting on March 28, 2008, I submit the following proposal to appraise the Panhandle Rail Corridor. A part of the development of this proposal included a review of the data and information previously assembled by ME Companies in their December 8, 2004 appraisal, as well as the information assembled and work completed in the review of the ME Appraisal, by our Company, more specifically by John R. Garvin, MAI, CRE. Both data sets were reviewed in an attempt to most effectively use and incorporate all available information and data, from the 2004 valuation and review, for use in the proposed 2008 reappraisal. A disscussion of these items are included in the following outline and scope of appraisal services.

1. The purpose of the appraisal is to provide a current market value estimate of the Panhandle Corridor, which will include the real estate and the track and fixtures. Further, the report is to present the analysis in a manner that a person with limited knowledge of real estate valuation methodologies and procedures, particularily as they are applied to railroad property, can easily understand the conclusions set forth in the report. The intended use of the appraisal is to assist in calculating a long term lease rate for the Panhandle Corridor.
2. The complete appraisal report of the real estate will include two volumes. **Volume 1** will consist of the analysis and valuation of the real estate, and **Volume 2** will consist of the comparable sales book. These will be discussed in greater detail in the Scope of Work section of this proposal. **Volume 3** will consist of the analysis and valuation of the Track and Fixtures.

3. The appraisal report will include a clear delineation of the appraisal problem, a thorough discussion on highest and best use and how it relates to the valuation of railroad corridor, and a thorough disscussion on appropriate valuation methodology concerning corridor valuation and the valuation of surplus "B" parcels. These items will be addressed in Volume 1, in addition to the valuation section of the 160.2 miles of rail corridor, spur lines and surplus "B" parcels. Per our discussion, sections will be added to the report to assist a reader with limited knowledge of real estate appraisal and the valuation of railroad corridor to understand not only the valuation methodology used, but also the rationale behind the valuation of the subject rail corridor, spur lines and surplus "B" parcels that resulted in a final value conclusion for the total subject property.
4. Volume 2 will consist of the Comparable Sales Book. The comparable sales book assembled in the 2004 valuation, by ME Companies contains sales data that ranges from 1999 to 2004. With the exception of using the data in conjunction with current sales data to analyze historical trends in a specific region along the subject corridor, this data has limited utility for the current proposed valuation. The ME Comparable Sales Book also lacked discussion and analysis of the various geographic areas and real estate markets through which the identified subject corridor extends. Therefore, Volume 2 will include an economic and geographic analysis, for each county through which the subject corridor extends, in conjunction with an identification and discussion of historical, current, and anticipated market trends that influence the value of real estate, in each delineated region.

The scope of the work will include:

Volume No. 1

- Review of the Val Maps to breakdown areas for further analysis. This includes the main railroad corridor, as well as surplus areas, for purpose of valuation. Prior work from the 2004 appraisal/review can be benificial in completing this portion of the assignment.
- The corridor will have to be *high railed*, with the val maps, to parcelize it into appropriate valuation parcels. The ME Appraisal-2004 was not properly parcelized. The scope of the 2004-Review was to focus on the ME Appraisal, whereby the improper val parcels were adjusted using photopraphs provided by ME, and avaialble aerial photographs, correlating them with the val maps. Considering changes that may have occurred over the past four (4) years to the local market areas through which each respective valuation segment is located, it is necessary to independently parcelize the corridor and surplus areas. Consideration will be given to the work completed in 2004 via review and comparison. Therefore, the prior parcelization can provide some guidance and benefit to the current appraisal process.
- In the review of the 2004 Appraisal/Review information it was discovered that the ME Appraisal incorrectly identified and valued the surplus land associated with the corridor. For this reason, this portion of the prior appraisal work is of limited benefit in a current appraisal. The surplus land parcels will require analysis separate and apart from the valuation of the corridor.

- It is assumed the the former railroad station building in Coshocton is still a part of the appraisal. The appraisal problem concerning this structure relates directly to the structures overall utility and contributory value to the site on which it is situated. This will require separate analysis and valuation, from the corridor valuation.
- Each Valuation Parcel in the appraisal report, along the corridor, is individually identified and analyzed, including both summarized and narrative discussion in conjunction with appropriate photos and maps. This will provide the reader clairity with regard to how the final value of each segment of the corridor was estimated.

Volume No. 2

- As previously stated, Volume 2 is the Comparable Sales Book that will cover the seven counties through which the subject corridor extends.
- An integral part of the Comparable Sales Book is the analysis of the area and local real estate markets through which the subject corridor extends. This includes historical, current, and forcasted future demographic trend analysis, as well as, real estate land use and development trends that are relevant to the respective valuation segments.
- The Comparable Sales Book will be seperated by County, which will include the forementioned analysis of the area and local real estate markets through which the subject corridor extends.

Volume No. 3

The final componet of the appraisal of the Panhandle Railroad Corridor id the valuation of the Track and Fixtures. This portion of the valuation assignment will be completed by Frank R. Stapleton, Ph.D., who will provide an independent expert report that will be referenced in Volume 1, and included as a part of the total value of the subject property.

Summary

— An attempt has been made to use and consider as much of the information, calculations and data that were assembled in the 2004 assignment, as possible. It appears that the greatest contribution will be the prior breakdown and discussion of the corridor. This will save time with regard to analyzing and calculating areas on the val maps.

— Due to the fact that the ME Appraisal improperly addressed the surplus land, and/or the "B" parcels, there is no prior work to assist in this area. A quick explaination is that the appropriate methodology to appraise the corridor is based on ATF, which is based on the highest and best use of the property being continued corridor use. However, surplus land, also known as "B" parcels by definition have a separate highest and best use, which is many times independent from the corridor.. For this reason, these portions of the subject property must be valued independently. This will be thoroughly explained in the appraisal report.

— The Comparable Sales Book, which is the integral part of the valuation of both the corridor and the surplus land, must be completely redone. This recognizes the fact that the assembled sales data in the prior Comparable Sales Book that was generated for the 2004 assignment included sales data ranging from 1999 to 2004. With the exception of using the

existing data to analyze historical trends in land values, it is of little use in a current market value appraisal.

— Area analysis for each county and narrowing it to the specific area through which the corridor extends must be done. This was absent in the ME Appraisal. However, without it there is no way to measure or gauge the change in market conditions which may directly impact the comparable sales data used to estimate the value of the corridor and surplus land.

Based on the preceding discussion, the work completed for the 2004 valuation assignment will provide assistance in the current valuation of the real estate. As previously stated, the report will be written in a way that the general public could easily follow the logic and understand the valuation problem and methodologies used. This will include sections that were absent in the ME Appraisal, such as: A clear and concise *Statement of the Appraisal Problem*; A thorough discussion of the *Valuation Methodologies* used in appraising real estate, and the specialized methodologies used to estimate the value of a unique type of real estate such as corridor; and a thorough discussion explaining the concept of *Highest and Best Use*, and how it relates to the appraisal problem. A section will also be added the clearly explains the use of any charts and maps that may address the valuation of a specific valuation parcel.

The following chart is a Cost Proposal that breaks down the proposed fee for the appraisal services specified in this letter.

Property inspection and identification, including high rail of the corridor identifying all val parcels, review and check of Val Maps for proper parcelization of corridor and identification, inspection and analysis of surplus property.	Estimated total man hours: 80 to 100 hours	$8,550
Comparable Sales Book – Volume 2: this included multiple property types located in the seven counties through which the subject corridor extends.	An average of approximately 15 verified, comparable sales per county, or a total of 105 comparable sales are anticipated to be required.	$29,925
Comparable Sales Book – Volume 2: Area Analysis and narrative presentation per county- Franklin Co., Licking Co., Muskingum Co., Coshocton Co., Tuscarawas Co., Harrison Co., and Jefferson Co.	Estimated total hours- 56 - All seven (7) counties.	$3,900
Volume 1: narrative disscussion / analysis and valuation of the identified valuation parcels, and the discussion, analysis and application of the corridor enhancement factor.	Estimated total hours- 80 Estimated total hours- 40 Est. total man hours 120	$9,500
Production Costs: Volume 1, Volume 2, and Volume 3	4 copies @ $100 per set	$400
Track and Fixtures Valuation, produced by Frank R. Stapleton, Ph.D.	Volume 3	$12,000
Total Project Cost		$64,275

The total project cost proposal of $64,275, as broken down on the preceding page, equals the sum of the appraisal fee for the real estate of $52,275 (approximately $326 per mile of corridor), and the appraisal fee for the track and fixtures of $12,000. The total estimate takes into account the benefit and assistance that the prior work completed for the 2004 valuation project may have in completing the current valuation assignment.

Respectfully submitted,

Continental Appraisal Company

John M. Garvin, MAI
OH Certified General Appraiser #381572

Ohio Rail Development Commission

50 West Broad Street, Suite 1510, Columbus, Ohio 43215
614-644-0306 (telephone) • 614-728-4520 (fax) • www.dot.state.oh.us/ohiorail

May 8, 2008

Pursuant to Ohio Rail Development Commission Resolution 99-15 "Spending and Signatory Guidelines," the undersigned hereby approves of the contract with **CONTINENTAL APPRAISAL COMPANY** described in Controlling Board request #DOT0100032 and dated April 17, 2008.

Matthew R. Dietrich
Executive Director

Jolene M. Molitoris
Chairwoman

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AMTRAK SERVICE IN THE 2-C / 3-C CORRIDOR
Identification of Service Parameters and Study Process

On Monday March 30, 2008, Mike Franke and Dick Hoffman, from Amtrak, joined ORDC staff Matt Dietrich, Lou Jannazo, Megan McClory, Stu Nicholson, and Don Damron in a conference call to kickoff discussions regarding start-up passenger rail service in the Cleveland-Columbus-Cincinnati rail corridor.

Identification of Service Parameters:

Mike Franke asked ORDC to define the key characteristics of the envisioned service. His five questions focused on: 1) the analysis of a 2-C and 3-C scenario; 2) train frequency; 3) equipment; 4) on-board food service; and 5) train speed. ORDC and Amtrak agreed to the following service parameters:

1. Service Scenarios: ORDC confirmed that this two part analysis will:

    1. Examine start-up passenger service between Cleveland and Columbus; and
    2. Examine start-up service running the entire length of the corridor between Cleveland, Columbus, and Cincinnati.

    A third alternative may involve the examination of operating Columbus-Dayton-Cincinnati as a separate service. This will be discussed in more detail at a later time.

2. Train Frequency: Amtrak and ORDC agreed that an appropriate startup train frequency would be two trains per day in each direction (two round trips) with one morning train departure and one afternoon train departure. Under the 2-C scenario, trains would depart from Cleveland and Columbus. Under the 3-C scenario, trains would depart from Cleveland and Cincinnati.

    Four trains per day (four round trips) were suggested by ORDC, but in response, Mike Franke suggested this would be very aggressive for a start-up and recommended that ORDC keep it simple with fewer frequencies.

3. Equipment: It was agreed that Amtrak would examine equipment options for the Ohio service. Options are limited as Amtrak's entire fleet is currently in service. For passenger cars, two options were discussed:

    1. Heavy overhaul of retired or "wrecked" equipment at an estimated cost of $700,000 to $800,000 per coach; or
    2. The acquisition of new diesel–multiple-units (DMU).

    It is likely that the 2-C/3-C equipment will need to be capable of push-pull operations. The wye track configurations needed to turn trains at the ends of the line are not likely to be available in Cleveland, Columbus or Cincinnati.

The configuration of the train sets will include either: 1) a locomotive at each end of the train, or 2) a locomotive at one end and a Non-Powered Control Unit (NPCU) or cab-car at the other end. Amtrak currently has locomotives available.

4. Food Service: It was agreed that food service would be provided under both the 2-C and 3-C scenarios. For the shorter 2-C trip, on-board food and beverages would be provided by cart service offering cold sandwiches at the passenger seats. For the longer 3-C trip, hot food would be offered in a food service car.

5. Train Speeds: It was agreed by Amtrak and ORDC that the analysis will focus on conventional train speeds with passenger trains not to exceed 79-MPH. Amtrak agreed to examine three scenarios: 1) running at current speeds over track segments; 2) upgrades to a maximum of 60-MPH; and 3) upgrades to a maximum 79-MPH.

Study Process:

Amtrak and ORDC discussed the study process and agreed to the following:

1. Mid-summer Start: Amtrak indicated that they would be prepared to begin the study in mid-summer with the first step being the analysis of alternatives routes.

2. Alternative Route Analysis: ORDC agreed to conduct an initial assessment of alternative routes for the purpose of identifying a preferred route. Through this analysis ORDC will obtain railroad data and other information including track charts and the characteristics of the lines, freight traffic and freight volumes, as well as population characteristics and other information that will assist with the route assessments. When Amtrak begins its work in mid-summer, ORDC will be prepared to provide a route or set of routes to Amtrak to be analyzed in more detail.

3. Preliminary Identification of Stations: ORDC will identify and provide Amtrak with a preliminary list of possible station locations on the routes. The number and location of the passenger rail stations will drive the development of the train timetables and schedules.

4. Station location planning and design: Amtrak will provide ORDC with station design guidelines and will assess the impact that platform locations will have on freight rail operations. However, Amtrak will not take the lead in discussions with local stakeholders regarding station location planning and will not design the station facilities. ORDC will need to determine the process of identifying and evaluating alternative locations and selecting final sites for station development.

5. Possible stops on the Cleveland-Columbus route: Amtrak and ORDC discussed station spacing and reviewed past assumptions regarding stops between Cleveland and Columbus. Based on the route mileage, no more than four intermediate stops are expected on the line. For this route, it appears that at minimum, appropriate station locations would consist of:

1. Downtown Cleveland
2. Suburban Cleveland (possible airport)
3. North Central Ohio
4. Suburban Columbus
5. Downtown Columbus

6. Railroad Coordination: Amtrak will coordinate all discussions with the railroads concerning the analysis of the railroad capacity requirements. Amtrak will initiate discussions with the railroads to:

    1. Obtain information on the corridor;
    2. Schedule an inspection trip of the line;
    3. Determine the level of complexity of the railroad operations;
    4. Determine if computer modeling is needed for the capacity analysis, and
    5. Determine the scope of the required capacity simulation if it is needed.

7. Capacity Analysis: Depending on what the railroads require, a capacity analysis may be needed. The railroads may elect to do some work in house or they may want to engage a pre-selected consulting firm to generate a detailed computer simulation of the existing and future passenger and freight train operations on the line. The timing of the capacity analysis and the delivery of a final product is unpredictable and will depend on the amount of work the consultant has in front of the ORDC project.

    The consulting contract for a detailed capacity analysis is likely to cost in the range of $300,000 to $500,000. ORDC will hold the contract with the consulting firm. The results of the capacity analysis will determine the capital improvements needed, along with the infrastructure costs, to achieve a specified train running time between corridor end points. From this information, Amtrak will create a train timetable for the passenger train service.

8. Ridership and Revenue Analysis: Based on the train timetable, Amtrak will engage AECOM to examine the trip demand in the corridor and to estimate the passenger rail ridership and revenue.

9. Operating Cost Analysis: Amtrak will use the results of the ridership analysis to:

    1. Determine size of the trains and the train consist;
    2. Identify the crewing needs and crew costs;
    3. Identify the needs and costs for mechanical maintenance;
    4. Identify the total operating costs associated with the service; and
    5. Estimate the need for operating support.

Other Considerations:

10. Connections to Local Transit and Feeder Bus: Amtrak suggested that the local efforts

should include the examination of possible feeder bus services including an assessment of improved transit connections at the end-point cities.

11. Diagnostic Review of Crossings: Amtrak agreed to conduct an inventory of all crossing warning systems along the line and will provide recommendations for the state to follow up for diagnostic reviews.

12. Managed Expectations: Amtrak suggested that ORDC manage any expectation associated with the timing of the deliverables and study outcomes.

13. Amtrak Expenses: ORDC agreed to reimburse Amtrak for the consulting services provided by AECOM. Additionally, ORDC agreed to reimburse Amtrak for all expenses related to travel and meals associated with field reviews, meetings and other 3C analysis work. The AECOM demand forecasting is expected to cost in the range of $10,000 to $15,000 and Amtrak's travel expenses are not expected to exceed $25,000.

WORK TASKS:
ORDC IN-HOUSE ALTERNATIVES ANALYSES FOR POTENTIAL AMTRAK SERVICE IN THE 2C & 3C CORRIDORS

April 25, 2008

Background: The Governor has requested that Amtrak investigate the costs and revenues of potential new 79 MPH maximum speed Amtrak intercity rail passenger service in the Cleveland to Columbus "2C" and Cleveland – Columbus – Cincinnati "3C" Corridors. Past analyses have indicated that the Cleveland – Berea – Galion – Columbus – Springfield – Dayton – Middletown – Cincinnati corridor is the optimal "Preferred Route" for the State of Ohio for any new Amtrak start up services. However, it is prudent to revisit past decisions to determine if it is worthwhile to fully investigate other possible Amtrak service options between Cleveland, Columbus, and Cincinnati.

The purpose of this report is to outline the work tasks needed for preliminary investigations into other corridors to determine if more full investigations of them are required by ORDC or Amtrak. ORDC's goal is to present the Preferred Route along with a very limited number of options to Amtrak at the outset of its evaluation.

Recognition that Railroads are Private Property and the Value of Freight Rail: ORDC recognizes that any discussion of bringing Amtrak service to the 3C Corridor will need to involve the owners of the railroad tracks on which the service would be provided. Virtually all of the routes to be examined are private property owned by private railroads providing vital freight railroad services. ORDC respects the rights of these private railroads and understands that the initiation of passenger services will impose a burden and cost upon them. It has been a longstanding ORDC policy that any ORDC supported passenger service shall augment rather than decrease the ability of freight railroads to serve their freight customers.

ORDC Process Fluid: One of the primary purposes of performing an in-house analysis of the 3C corridor is to gain knowledge about the Ohio rail system and how it might be used for passenger rail system. ORDC acknowledges that areas of concern will likely be discovered that require more analyses. Further, ORDC understands that these in house analyses are only tools to use in beginning and continuing our coordinating with railroads, public agencies, and the general public.

TASK 1, PRELIMINARY ALTERNATIVE ROUTE SELECTION PARAMETERS

It is not the desire of ORDC to eliminate any route that might be the best Amtrak passenger route for the State. However, the permutations of possible routes are extensive and with a robust history of passenger rail investigations on the 3C corridor, prudent pruning of route options is required. ORDC respects past work and history as well as the resources of public and private partners and has designed our route investigations accordingly.

ORDC respects the past work of passenger rail experts in identifying a 3C route. The last passenger train privately operated on the 3C, *The Ohio State Limited,* traveled along the

Preferred Route but was discontinued shortly before the creation of Amtrak. Subsequent investigations into restarting 3C service with Amtrak as the carrier in the 1980's and in 2000 selected the Preferred Route alternative (as did studies for higher speed "High Speed Rail" trains). Further, ORDC understands that all the possible routes in question are owned by private railroads. Any investigations done by ORDC need the private railroads' cooperation and coordination. ORDC respects the time and effort these private railroad owners would need to expend to help analyze any particular route.

The methodology herein for selecting alternative routes for more analysis encompasses a 100 mile wide swath of Ohio, and takes into account population densities as low as 100,000 along potential routes.

1, A) Route Definition by Deviation from Straight Line Distance: There is no "standard" definition of how wide a "corridor" can be. Certainly the longer the corridor, the wider it could be. For example, if one were examining transcontinental corridors, it might be appropriate to deviate hundreds of miles from the absolute shortest path. But for a short intra-city corridor, it might be appropriate to only deviate one mile from the shortest path.

To identify the universe of potential routes for the Ohio Amtrak service being investigated, the first task will be to determine the straightest course between Cleveland, Columbus, and Cincinnati, i.e. the bee line, or "as the crow flies" route. Because the total 3C corridor length is only about 250 miles, it is assumed here that the absolute maximum deviation from the straight line corridor shall be no more than 50 miles but should be within 25 miles. Appropriate mapping will be developed to identify the straight line route as well as the corridors within 25 and 50 miles of the straight line route.

1, B) Population Assumptions: There could be various reasons to deviate from the straightest course but for the purpose of this Task of the preliminary alternative route selection, population density will be used as the criteria. (Other criteria such as train speeds, track congestion, track geometry, capital cost considerations will be considered in later work tasks.) All three 3C cities have metropolitan area populations exceeding 2 million. Any Amtrak service is intended to cater to these major population centers and their resulting ridership. Any additional time added to schedules for intermediate stops (outside of suburban stops to better serve the major cities) need to have significant enough patronage to warrant the loss of ridership from the 3C cities that will result from longer travel time. This study assumes that it is not warranted to deviate from the straightest routes unless there are either several small population centers (10,000 people or more) which total 100,000 people, or a single population center which exceeds 100,000 people so that there is a potential passenger base which might offset any loss of 3C cities ridership due to increased travel times. Appropriate mapping and or charts will be developed to show population centers within 50 miles of the bee line corridor.

1, C) Preliminary Route Selection/Corridor and Population Criteria: Using the 50 mile corridor and population criteria described above, ORDC will identify possible alternative routes which warrant further studies in later tasks.

TASK 2, ASSESSING MILEAGE OF SELECTED ROUTE ALTERNATIVES

Task 1 will provide the possible routes which meet the very basic criteria established for distance from the straight line course and population. Task 2 will be a second round of basic evaluations to limit the corridors to be studied in more detail because of obvious flaws. (Again, other criteria such as train speeds, track congestion, track geometry, capital cost considerations will be considered in later work tasks.) The distance between the existing downtown Cleveland Amtrak station and the center of Columbus is approximately 140 miles. From downtown Columbus to downtown Cincinnati is approximately 120 miles. With such relatively short travel distances, it is assumed for the purposes of this task that any route on either segment which is 50 miles longer than the straight line course will be too circuitous and slow no matter what track conditions exist. Therefore, any route identified as feasible for study in Task 1, which is 50 miles longer than the straight line route, shall be eliminated from further review.

2,A) Preliminary Route Selection/Distance Criteria: ORDC will measure the mileage of Task 1 routes. Any route of over 190 miles in the Cleveland to Columbus corridor, or over 170 miles on the Columbus to Cincinnati corridor, shall be eliminated from further consideration.

TASK 3, DESK STUDY OF PREFERRED ROUTE

Various studies of potential Amtrak start up service in the 2C and 3C Corridors over the last two decades have identified the Cleveland, Galion, Columbus, Springfield, Dayton, Cincinnati route as the Preferred Route. This entire route lies within the 25 miles of the straight line route and is comprised entirely of mainline track where freight speeds vary from 40 to 60 MPH. The route is not without challenges but it is the route to which others should be compared.

3,A) Track Chart Analysis: ORDC will gather the latest track charts available for this route from Norfolk Southern and CSX. It will use these track charts to present the following information in line diagram, chart, or other graphic form:

- Identify discreet line segments by city pairs, railroad ownership, or other logical end points.
- The mileage of each line segment and the entire corridor.
- The number of railroad to railroad crossings.
- The number of highway – railroad crossings.
- The mileage along tracks where curvatures or grades exceed 2 degrees.
- The location and mileage of double (or triple or quadruple) track.
- The locations of passing sidings exceeding 1 mile in length.
- The location and mileage of any rail of 100 lbs. or less.
- Other relevant factors.

3, B) Freight Railroad Analysis: ORDC will gather track timetables and engage various freight railroad officials to get a general understanding of the train speeds, train counts, congestion, and potential bottlenecks along the corridor. It will use this information to present the following information in diagram, chart, or other graphic form:

- General existing freight train speeds by line segment.

- Freight railroad restrictions on passenger speeds by line segment.
- General traffic density in terms of average number of trains per day.
- Special considerations such as scheduled intermodal or hot shot trains.
- Special considerations such as congestion at or near yards, issues transferring from one railroad to another, or other such considerations.

3, C) Compilation of Information: Using the information in 3, A and 3, B, ORDC staff will compile a profile of the entire 2C and 3C corridor on the preferred route. The profile will include route miles, estimated travel times under existing conditions, the populations of cities directly served by the route, and other relevant information.

TASK 4, DESK STUDY OF OTHER ROUTES

This task will be the same as Task 3,A, 3,B, and 3,C above for each and every route other than the Preferred Route that was not eliminated in Tasks 1 and 2.

TASK 5, LIMITED FIELD REVIEW

While a desk review is a valuable tool, the Task 3 and Task 4 studies will likely bring to light issues which may require field investigations. ORDC staff will undertake limited field reviews of key areas as needed.

TASK 6, COMPARISON OF ALTERNATIVE ROUTES TO THE PREFERRED ROUTE AND RECOMMENDATIONS

ORDC staff will develop diagrams, charts, or other graphics to accompany a narrative comparing the alternative routes to the preferred route for the purpose of developing recommendations for the further study of the preferred alternative, and any other alternative that warrants it.

PUBLIC INPUT

ORDC staff will perform public outreach to obtain public input into the investigations. The public input process will include but not be limited to the following:

- Presentations of the overall study process as well as findings at various ORDC Commission meetings. ORDC staff will publicize that it will be presenting information about this Amtrak investigation to various media outlets within the 100 mile cordon lines of the study.
- Presentations and meetings with public agencies within the study area including but not limited to the cities of Cleveland, Columbus, Dayton, and Cincinnati, the Northeast Ohio Area Coordinating Agency, the Mid-Ohio Regional Planning Commission, the Miami Valley Regional Planning Commission, the Ohio, Kentucky, Indiana Council of Governments, the Springfield, Clark County Transportation Coordinating Committee, the Greater Cleveland Regional Transit Authority, the Columbus Transit Authority, the Dayton Transit Authority, the Southwest Ohio Regional Transit Authority, the Ohio Department of Transportation, the Ohio Department of Development and other planning and transportation agencies and organizations.

- Presentations and meetings with passenger advocacy and citizen groups such as All Aboard Ohio, the Ohio Public Transit Association, and other groups.
- Public outreach through meetings, presentations, web based information dissemination, news releases, and other means to the citizenry of Ohio.
- Other public outreach as is needed.

STATION LOCATION PLANNING AND SITE SELECTION CRITERIA
LOCAL AGENCY INVOLVEMENT
Cleveland-Columbus-Dayton-Cincinnati Corridor
Passenger Rail Startup Service
DRAFT

ORDC is initiating the station location planning process for the Amtrak startup service in the Cleveland-Columbus-Dayton-Cincinnati corridor. Station site selection and the development of station facilities are viewed as issues that should be pursued by local governments with State assistance and input. Therefore, planning efforts should involve the participation of the appropriate stakeholders from the local agencies early on. At a minimum, local agency involvement will include the metropolitan planning organizations, the local transit authorities and representatives from the affected municipalities. In addition to coordinating with local authorities, ORDC will coordinate with host railroads and Amtrak for station location decisions. The process below, however, concentrates on the local public involvement.

LOCAL INVENTORY AND LAY OF THE LAND

Kick-off meeting: As a first step, ORDC should initiate discussions with local governments by requesting a meeting to kickoff discussions related to station planning and facility development. The purpose of the meeting will be to focus on existing local policies and projects that may impact decisions. One of the objectives will be to assess the level of effort needed to resolve issues.

Local questions should include:

1. What is the status of local planning concerning the evaluation of possible passenger rail station sites?
2. Over the years, what local planning studies have been completed and what were the results?
3. Are there any local projects or issues that may affect station location decisions either in downtown or the suburbs?
4. Has the community identified any other possible sites or has a site actually been selected?
5. Does the community have an existing station? Are there any problems with it?
6. What are the short-term project development implications versus the long term project development issues associated with station location?

Public Input: The decision to involve the public and to what degree the public should be involved in station decisions should be answered by the local stakeholder agencies. Given the estimated level of effort required to resolve local station issues, the participating local agencies should determine the appropriate level of public involvement needed. Localities may determine that hosting one or more public meetings is desirable.

Local Funding Participation: Early on, ORDC will have discussions on funding local station development. In previous years the state's funding policy regarding the development of rail passenger stations was that all or a portion of the capital costs were the responsibility of local governments. ORDC is seeking an active partnership with localities in the 3C corridor to advance start-up service in a way that minimizes the costs and time required to begin providing service. Given that the goal is start-up service, ORDC and localities may determine that interim stations are an appropriate option.

IDENTIFICATION AND EVALUATION OF STATION SITES

ORDC will work with communities, the host railroads, and Amtrak to identify and select sites for station locations. The objective should be to identify the most appropriate site serving the maximum travel market in the area. As such, station location criteria will assist with the identification and evaluation of alternative station sites.

In its Guidance Manual for developing *Railroad Corridor Transportation Plans*, the Federal Railroad Administration suggests that station locations are subject to several conflicting demands including:

1. They must be readily accessible to where people live and work;
2. Too many stations will lengthen trip times excessively;
3. Too few station make it more difficult for riders to use the rail system; and
4. Station sites need to cater to both business and leisure travel.

In addition, the Governor and ORDC are committed to pursuing passenger rail service in a way that enhances freight operations. As such, the site selection process will also consider the efficiency and fluidity on freight operations.

Specific site selection criteria for consideration will be determined by localities, in consultation with ORDC, and include:

1. Freight Rail Operations
   - Identify locations for passenger rail platforms that are feasible within the constraints of existing (and future) railroad operations.
   - Identify locations that will not negatively impact railroad fluidity or efficiency.
   - Avoid locations with a high degree of crossover or switching needs.

2. Station Spacing
   - Offer an adequate number of station stops which serve identified market areas while providing efficient and reliable passenger rail operations.
   - Optimize station spacing to maximize train speed and reduce total travel time.
   - Optimize station spacing to provide access opportunities to identified population centers and employment market areas.
   - Where appropriate, additional close-in stations should be located to serve suburban area populations in the major cities including Cleveland, Columbus, and Cincinnati.

3. Accessibility
   - Provide easy access to the station by all modes including walking, bicycle, automobiles, and transit.
   - Provide easy access to major roads and highways.
   - Optimize connections with local bus routes.
   - Optimize the site accessibility for drop-off and park-and-ride.
   - Provide accessibility for the physically handicapped.
   - Locate stations near other major traffic generators.

4. Minimize impacts on the local traffic network
   - Minimized congestion on the existing station area street network and avoid traffic impacts on neighborhood streets.
   - Minimize the use of residential streets and avoid station related parking impacts on adjacent residential land uses.
   - Optimize the access and egress routes for connections to the local bus operations.
   - Locate stations near other major traffic generators.

5. Station Site Requirements
   - Provide adequate and efficient space for station facilities and on-site vehicular and pedestrian circulation.
   - Identify sites that are large enough to accommodate the station shelter, bus parking bays, automobile drop-off spaces, adequate park and ride spaces, along with station platforms.
   - Avoid land acquisition and building displacements and accommodate station facilities on available, underdeveloped land.
   - Provide safe on-site pedestrian circulation and access to platforms.
   - Accommodate sufficient parking and an efficient parking layout and safe circulation system, minimizing pedestrian and vehicular conflicts.
   - Seek cost-effective solutions to the development of station facilities.

6. Land Use and Development
   - Provide for the physical integration of station facilities into existing and future development and activity centers.
   - Introduce a presence in the community through station visibility.
   - Support the opportunity of rail-oriented development planning and project development.
   - Identify cost-effective land purchase/lease options for station integration.

7. Environmental Impacts
   - Minimize the negative environmental impacts associated with the development and operation of the rail station.
   - Minimize disruption to adjacent neighborhoods including visual impacts, noise impacts and air quality impacts.

- Minimize use of residential streets by station generated traffic and avoid station related parking on residential streets.
- Avoid the need to significantly alter or re-configure the existing street system.
- Avoid impact to historic and archeological resources.
- Avoid sites that may contain hazardous waste materials.
- Avoid impacts to wetlands and other environmentally sensitive areas.
- Minimize impacts to waterways and avoid placement of station in flood-plains.

8. Station Safety and Security
   - Provide a safe environment for rail patrons and a secure station facility.
   - Enhance safety through the design and layout of facilities.
   - Provide clearly visible station platforms to enhance patron security.
   - Provide an observable and secure parking facility.